

Exhibit A

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER
AND WORKER PROTECTION

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Wednesday, June 12, 2024

Start: 10:07 a.m.

Recess: 4:49 p.m.

HELD AT: COUNCIL CHAMBERS, CITY HALL

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Gale A. Brewer
Amanda Farias
Shekar Krishnan
Chi A. Ossé

A P P E A R A N C E S (CONTINUED)

Ahmed Tigani
First Deputy Commissioner
Department of Housing, Preservation, and
Development
FIRST DEPUTY COMMISSIONER TIGANI:

President Antonio Reynoso
Brooklyn Borough President

Gary Mallon
Resident of New York City

Bess Friedman
Resident of New York City

Brian Phillips
Associate Broker
Douglas Solomon Real Estate

Ryan Monell
REBNY

Jeffrey Hannon
Real Estate Agent

Rob Solano
Executive Director
Churches United for Fair Housing

Andrea Joseph
President
United Auto Workers Local 4100

Annie Abreu

Law Student

Bradley Tusk
Citizen of New York

Douglas Wagner
Bond New York

Sarah Salzberg
Owner
Bohemia Realty Group

Hal Govsie
Douglas Elliman

Melissa Gomez
Real Estate Agent and Landlord

Anna Klenkar
Broker

Samuel Stein
Senior Policy Analyst
Community Service Society of New York

Allia Mohamed
Co-Founder and CEO
Open Igloo

Michael Corley
Principal Broker
Corley Realty Group

Brendan Griffith
Chief of Staff
New York City Central Labor Council

AFL-CIO

Jason Haber
Co-Founder
American Real Estate Association

Anthony Domathoti
Bronx Real Estate Broker

Brian Hourigan
BOND New York

Keyan Sanai
Douglas Elman

Blanca Perez
Citizen of Brooklyn

Augustina Velez
Citizen of Queens

Gladys Pugio[SP?]

Bruno Ricciotti
Co-founder
BOND New York

Mackenzie Ryan
Citizen of Manhattan

Judith Goldiner
Attorney
Civil Law Reform Unit
Legal Aid Society

Gali Davar

Legal Intern
Mobilization For Justice

Shasta Spicer
Met Council

Christina Kremidas
Associate Broker
Douglas Elliman Real Estate

Nancy Elton
BOND New York

Barbara Ann Rogers
Associate Broker
Compass

Greg Lynn
Resident, Hell's Kitchen

Ashley Chen
Policy Analyst
Chinese American Planning Council

Alexandra Martinez
Project Manager
New York City Economic Development
Corporation

Marc Burnett
Resident, New York City

Jed Wilder
Living New York

Evan Osur

Living New York

Priscilla Jacobs
EXP Realty

Ausar Burke
Organizer
Churches United for Fair Housing

Amy Blumsack
Neighbors Together

Logan Ferris
Political Director
Open New York

Jordan Melkin
NC Pepe Real Estate

Destiny Cruz
New York City Senior Organizer
New York Working Families Party

Arturo Enamorado
PSC CUNY
Professor, Kingsborough Community College

Jonna Stark
Real Estate in Queens

Galloway
Advocacy Manager
Ali Forney Center

Nadia Swanson
Director of Advocacy

Ali Forney Center

Esteban Girón
Crown Heights Tenant Union

Adam Graubart
Rabbinical Student

Jimmy Brett
Associate Broker
BOND New York Properties

Michael Matos
US Military Veteran

Yvette Vasquez
Queen's Political Organizer
1199 SEIU

Anna Gardner
Citizen of New York

Sean Davis
Citizen of New York

Claire Baging[SP?]
Resident of Cobble Hill, Brooklyn

Tuval Mor
Corcoran

Elvin Royman[SP?]
Citizen of New York

Dina Lee
Citizen of New York

Philip Johnson
Citizen of New York

Boris Youssefov
Citizen of New York

Andrew Funk
Citizen of New York

Delaney Maisel
Citizen of New York

Gordon Lee
Citizen of Brooklyn

Justin DeGulio
Citizen of New York

Benjamin Ellis
Citizen of New York

Allie Seekely
Citizen of Queens

Ajifanta Marenah
Advocacy Program Manager
Muslim Community Network

Jared Gold
Citizen of Queens

Miranda Coplin
Citizen of New York

Summar Omar

Public Interest Attorney

Neil Cudjoe
Citizen of New York

Lucy Sexton
New Yorkers for Culture and Arts

Amber Guidati
Citizen of New York

Sharon Brown
Citizen of New York

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 10

2 SERGEANT AT ARMPITS: Good morning, ladies and
3 gentlemen-- At this time once again, good morning.
4 Good morning and welcome.

5 [BACKGROUND VOICES]

6 Okay, good morning, and welcome to today's New
7 York City Council hearing for the Committee on
8 Consumer and Worker Protection. At this time, we ask
9 that you silence all cell phones and electronic
10 devices to minimize disruptions throughout the
11 hearing. If you have testimony you wish to submit
12 for the record, you may do so via email at
13 testimony@council.nyc.gov. Once again, that is
14 testimony@council.nyc.gov. At any time throughout
15 the hearing, do not approach the dais. We thank you
16 for your cooperation. Chair, we are ready to begin.

17 [GAVEL]

18 CHAIRPERSON MENIN: Good morning. I am
19 Councilmember Julie Menin. I'm Chair of the consumer
20 and Worker Protection Committee, and I want to
21 welcome all of you to our committee hearing. Before
22 I begin, let me first acknowledge my colleagues who
23 are present: Councilmember Hudson, Councilmember
24 Ossé, Councilmember De La Rosa, and I will
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 11

2 acknowledge additional colleagues as they come in.

3 And we've also been joined by the Public Advocate.

4 So thank you for joining today the hearing on
5 Intro 360 also known as the FAIR Act. I appreciate
6 that so many people feel so strongly about this bill.
7 We're very appreciative that so many people came out
8 to testify today, and we really look forward to
9 hearing from each and every one of you.

10 Two thirds of New York City's residents are
11 renters, and most of us have had first-hand
12 experience with the stressful and frustrating
13 apartment hunting process. In many instances, that
14 process includes paying a broker fee to a licensed
15 real estate agent or broker hired by the property
16 owner to advertise the apartment, arrange showings,
17 and put together applications.

18 Brokers fees typically range from one month's
19 rent or 8.3% of the annual rent to 15% of the annual
20 rent or more. There are currently over 21,000
21 licensed real estate brokers in New York City who
22 assist prospective tenants and property owners by
23 filling vacant apartments with tenants. Real estate
24 brokership tenants navigate this complex rental
25 market and help property owners facilitate showings

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 12
2 and market their available units. The bill that we
3 are hearing today, Intro 360, sponsored by
4 councilmember Ossé, would require that any broker fee
5 associated with a residential real estate transaction
6 for a rental property be paid by the individual who
7 hired the broker to facilitate the transaction.

8 We look forward to hearing from tenants about how
9 this bill would impact their ability to lease an
10 apartment. We look forward to hearing from real
11 estate agents and brokers about how this bill would
12 affect the services they provide. And we look
13 forward to hearing from the Administration and other
14 stakeholders about how we can make residential real
15 estate transactions more transparent and more
16 equitable.

17 Before we get started, I want to emphasize that
18 today's hearing must be conducted in an orderly
19 manner to ensure that the public has a full
20 opportunity to be heard. I know we have a lot of
21 speakers today. So, we want to just make sure
22 everyone understands the Council's rules. Do not
23 clap, boo, or shout approval or disagreement from the
24 audience. If you have agreement, this is fine.

25 [MAKES JAZZ HANDS SIGN] But again, we do not want

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 13

2 anyone clapping, booing, shouting, or making other
3 noise, because it disrupts the proceedings.

4 If you wish to make a statement, fill out a
5 witness slip with the Sergeant at Arms who are around
6 this room. Every speaker will have two minutes for
7 the public to be able to testify.

8 I'm now going to turn it over to my colleague,
9 Councilmember Chi Ossé to make a statement on his
10 bill. Thank you.

11 COUNCILMEMBER OSSÉ: Thank you so much, Chair
12 Menin, and good morning to everyone here today. I
13 really appreciate the amount of people that have
14 showed up to testify, both for this bill as well as
15 against. I thank you for participating in our
16 wonderful democracy.

17 Thank you also to my colleagues and members of
18 the committee.

19 New York City is one of just two major cities in
20 our nation in which tenants are forced to pay the fee
21 for a broker they did not hire. That system is bad
22 for the economy, brutal for renters, and plainly
23 unfair. The FARE Act, which stands for Fairness In
24 Apartment Rental Expenses Act, will finally bring
25 fairness to apartment rental expenses.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 14

2 The average move in cost for New Yorkers and new
3 people living in New York City is now over \$10,000.
4 This is a burden very few people and families can
5 bear. We should name those who suffer under the
6 system of forced broker fees in order to solve the
7 magnitude of the crisis we are here to solve: The
8 union worker unable to move near her job; the young
9 couple that wants to have a child but can afford to
10 trade in their studio for a two bedroom, so they put
11 off building a family; the graduate moving to the
12 city of for work; and the artist moving here to add
13 to the rich fabric of the world's cultural capital;
14 the woman seeking to leave her toxic relationship,
15 but who stays because she lacks the savings for a new
16 apartment; the immigrant working hard to build a life
17 here; the young man finally ready to move out of his
18 family home, but stay in his childhood neighborhood
19 and is instead driven from New York City altogether.

20 There are a million of these stories and more in
21 the greatest city in the world. Each story is
22 unacceptable and caused by an exploitative system
23 that exists virtually nowhere else.

24 The FARE Act would end this abuse and be an
25 economic boon to the five boroughs.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 15

2 Some are here today to argue against this bill.
3 They are mistaken to do so, and I will briefly
4 explain why.

5 They will argue, in testimony prepared largely by
6 the Real Estate Board of New York that the FARE Act
7 is bad for tenants because it will lead to increased
8 rents.

9 This assertion is disingenuous and wrong,
10 primarily for three reasons: One, nearly half of New
11 York City rental units are rent stabilized, meaning
12 rent legally can't be raised beyond the levels
13 established each year by the rent guidelines board;
14 two rent is determined by market forces, not
15 landlords. If a landlord could magically raise your
16 rent by several thousand dollars tomorrow, he surely
17 would have yesterday. The fact that he did not
18 indicates that he cannot, because he is already
19 charging the highest that the market forces of supply
20 and demand will allow. A landlord can ask for any
21 rent he'd like, but he will only receive only what a
22 tenant can pay. It's ECON-101.

23 During COVID, when demand fell, rents plummeted,
24 thanks to supply and demand. If rent were indeed set
25 by landlords and not market forces, they would not

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 16

2 have voluntarily slashed it during a period of low
3 demand.

4 Three, under the current system of forced broker
5 fees, tenants are at a disadvantage during lease
6 renewal, with \$10,000 upfront move-in costs,
7 primarily due to broker fees, a landlord can demand
8 much higher rent at lease signing, knowing the
9 "captive tenant" has nowhere to go. Under the FARE
10 Act, the tenant can freely leave at the end of any
11 lease and use this fact to significantly increase
12 their bargaining power during renewal.

13 In short, the FARE Act will put downward pressure
14 on rents.

15 So now we understand the deep and unjust pain
16 inflicted by broker fees, by forced broker fees, and
17 we understand that the FARE Act would alleviate this
18 pain. While putting downward pressure on citywide
19 rents, the bill is common sense, which is proven by
20 its endorsements of 33 Councilmembers and 12 labor
21 organizations.

22 I look forward to public testimony, and
23 ultimately bringing America's most expensive city to
24 a new equitable and fair era by passing the FARE Act.

25 Thank you Chair.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 17

2 CHAIRPERSON MENIN: Thank you very much. I'm now
3 going to call on the Public Advocate to make an
4 opening statement. Thank you.

5 PUBLIC ADVOCATE WILLIAMS: Thank you, Madam
6 Chair. My name is Jumaane Williams, and I'm the
7 Public Advocate for the City of New York. I'd like
8 to thank Chair Menin and members of the Committee on
9 Consumer and Worker Protection for holding this
10 hearing, and Chi Ossé, Councilmember Ossé for
11 introducing this legislation.

12 As a co-sponsor of Intro 360 introduced by
13 complete Ossé, I'm in support of the bill, as it
14 would help shift the significant housing cost to
15 whomever contracts the broker, instead of always
16 falling on the prospective tenant. To rent an
17 apartment today, prospective tenants usually have to
18 pay a brokerage fee on top of the cost to move in
19 their building, the traditional first month of rent,
20 as well as security deposit for a month or two.

21 Additionally, while illegal, some brokers and
22 property owners do ask for a key fee to transfer the
23 key to the new tenant. According to StreetEasy, it
24 costs an average of \$10,500 to move into an
25 apartment, with the largest portion going to brokers

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 18
2 fees. This system contributes to the city's housing
3 affordability crisis. As of February 2024, New York
4 City's Department of Housing and Preservation
5 Development, HPD, reported the initial findings of
6 the latest NYC housing and vacancy surveys on HBS to
7 the City Council, and shared the vacancy rate reached
8 a historic low of 1.4%. Additionally, quote/unquote,
9 "among units renting for under \$2,400 the net rental
10 vacancy rate is below 1%." The vacancy rate dropped
11 over the last two years, even as city has added
12 60,000 new homes. And findings also communicate that
13 86% of households who earn less than \$50,000, without
14 rental assistance are rent burdened. At the recent
15 2024 preliminary vote meeting, the rent guidelines
16 board proposed further rent increases on rent
17 stabilized tenants, both for one-year and two-year
18 leases. By removing brokerage fees, this legislation
19 would help the NYC housing market become more
20 elastic, giving tenants more access to housing by
21 allowing them to move more easily and affordably.

22 No other city in the US besides Boston has this
23 unique practice of requiring tenants to pay brokers.
24 It is time for us to ease the burdens of these up-
25 front costs. And some of the worst examples we've

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 19

2 seen are stories of someone paying a broker fee, and
3 not being connected to housing or being forced to pay
4 these fees when they've gone through the process of
5 finding housing without the assistance of broker
6 agents.

7 This bill ensures whoever hired a broker pays
8 regardless of whether it's a landlord or potential
9 tenant. Tenants need to know that they can
10 compensate a broker only when they hire one to
11 represent them, which will provide them with
12 increased transparency and financial relief to up-
13 front rental costs.

14 We are in the midst of trying to build more
15 affordable housing and preserve the housing that we
16 have, while fixing our public housing and other
17 housing systems. We are trying to help New Yorkers
18 and assist asylum seekers with connecting to home
19 from shelter residents. All of this can be done with
20 less financial burden on tenants, who should not have
21 to pay additional costs to obtain residents to begin
22 with.

23 I'm coming with experience of having the fear of
24 being a tenant and trying to rent an apartment,
25 having to pay that fee, and also being a landlord,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 20

2 being told I won't pay the fee, and was very much
3 relieved back then, not even understanding how that
4 burden might be felt to the person who will be paying
5 it.

6 I did want to just make clear that we are in this
7 crisis, and our leaders are not doing the best to
8 help us. The Mayor rent guidelines board appointees
9 will now be the second year in a row putting the
10 highest rent that we've seen in the past two decades.
11 The Mayor is fighting the City Council on changes
12 made to rent vouchers. The Mayor and the Governor
13 have not been very supportive of Good Cause Eviction.
14 The Governor now put money in for new housing
15 vouchers.

16 We have to make some changes, some place, to try
17 to ease the housing crisis that we have. Those
18 changes are going to be difficult, but we have to
19 find the best way to do it. I did not support the
20 first iteration ideas of these that were lowering and
21 taking away the broker's fees, but this one seems to
22 be a much fairer balance to make sure that brokers
23 can get paid for the work that they're doing, while
24 releasing some of the pressures of tenants who are
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 21
2 unable to find the housing in this housing market as
3 homelessness increases. Thank you.

4 CHAIRPERSON MENIN: Thank you so much. I also
5 want to mention we've been joined by Councilmember
6 Nurse, Councilmember Avilés, Councilmember Marte.

7 And if anyone needs a device for interpretation,
8 please go to the lobby and you can pick up a headset.

9 We will now call representatives of the
10 Administration to testify. We'll be hearing
11 testimony from HPDs First Deputy Commissioner, Ahmed
12 Tigani. I'll now turn it over to the Committee
13 Counsel for the affirmation.

14 COMMITTEE COUNSEL: Do you affirm to tell the
15 truth, the whole truth and nothing but the truth
16 before this committee and to respond honestly to
17 Councilmember questions?

18 FIRST DEPUTY COMMISSIONER TIGANI: I do.

19 COMMITTEE COUNSEL: You may begin.

20 FIRST DEPUTY COMMISSIONER TIGANI: Good morning,
21 Chair Menin and members of the Committee on Consumer
22 Protection. My name is Ahmed Tigani, and I am the
23 First Deputy Commissioner at the New York City
24 Department of Housing, Preservation, and Development.
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 22

2 Thank you for the opportunity to testify on the
3 proposed legislation on today's agenda.

4 Our priority at HPD, above all else, is to
5 confront New York City's housing crisis with urgency,
6 dedication, and when needed, creativity. We are
7 always open to new solutions and are excited by an
8 opportunity to discuss new legislation.

9 All New Yorkers should be able to choose homes in
10 neighborhoods that they love, the communities that
11 they want to build their lives in next. Some
12 prioritize proximity to local schools, while others
13 prioritize being within arm's reach of a playground,
14 or their place of employment, and weigh numerous
15 considerations about how to make the right choice.

16 As a father to a young child, my family has been
17 faced numerous times with the question of whether
18 where we live provides us the best situation for
19 connecting him to the life we want to give him. I
20 also think about my single mother's effort to secure
21 housing for our family, and the questions that must
22 have come up for her as a renter with limited
23 resources about how to prepare if we had to make the
24 decision to look for a different home.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 23

2 These conversations are felt by New Yorkers of
3 all backgrounds and incomes, in many ways, most
4 acutely for our most vulnerable neighbors, and the
5 decisions become tougher as the situation gets
6 compounded by other external factors.

7 I say this because with an alarmingly low rental
8 vacancy rate, finding an apartment that meets your
9 needs can feel like an impossible task. At HPD, we
10 want to do everything we can to improve access to
11 affordable housing. Currently, New York City's
12 vacancy rate sits at a mere 1.41%, the lowest that's
13 been since 1968. To put that into perspective,
14 during our recent New York City Housing and Vacancy
15 Survey, out of over 2.3 million renter households,
16 there were only about 33,000 homes available for
17 rent. For lower income New Yorkers seeking
18 affordable housing, these options are essentially
19 nonexistent. That's why we're deeply committed to
20 improving the process of finding and renting a home
21 in New York City.

22 I firmly believe that the solution to our housing
23 crisis lies in constructing more housing,
24 safeguarding our existing stock of affordable
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 24

2 housing, and ensuring that New Yorkers have
3 meaningful options in our housing market.

4 The City needs to ensure that there's enough
5 housing of all types, especially low-cost and
6 affordable housing in every neighborhood. This
7 requires affordable housing development, but also
8 changes that allows the private market to build
9 additional housing that the city needs. That's why
10 we're working with our partners at the Department of
11 City Planning and across the Administration to
12 implement policies to support a little more housing
13 in every neighborhood, which, taken together, will
14 have a big impact on New Yorkers housing needs.

15 Another part of ensuring that New Yorkers have
16 meaningful Housing Choice is through our tenant
17 protection work. This includes inspections to
18 enforce the housing maintenance code enforcement
19 programs, focused on the stress buildings through the
20 Emergency Repair Program, Alternative Enforcement
21 Program, the 7A Program and the Underlying Conditions
22 Program. HPD represents the City in 7,800 tenant-
23 initiated actions in housing court, and initiated 240
24 comprehensive litigation cases seeking civil
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 25
2 penalties in order to correct in the calendar year
3 2023.

4 Our anti-harassment unit works to proactively
5 identify bad actor owners, and when necessary,
6 initiate litigation to address disruptions of
7 essential services, false certifications, and failure
8 to address hazardous violations. It also includes
9 ongoing research and education through classes and
10 events, often in partnership with elected officials
11 and community-based organizations to bring housing,
12 information, resources, services, and one-on-one
13 assistance directly to tenants. We deploy our
14 outreach vans to ensure we can access New Yorkers
15 wherever they are across the five boroughs.

16 It is clear that the proposed broker fee
17 legislation strikes a chord with New Yorkers, and we
18 understand why. For New Yorkers, moving costs can be
19 prohibitively expensive and a financial barrier to
20 securing housing amongst a limited number of options.
21 The process leading up to a housing search, either by
22 choice or due to unforeseen circumstances, for many
23 households can result in an impossible scenario where
24 you have to choose between paying rent, covering
25 basic expenses or saving for the future.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 26

2 At the same time, there is tremendous value in
3 housing search support and the operational knowledge
4 that brokers can provide both tenants looking to find
5 a home, especially in communities where listings are
6 harder to find, and property owners navigating the
7 process of making their units available is
8 invaluable.

9 The Administration is therefore actively
10 evaluating this legislation, carefully considering
11 the potential impacts, both intended and unintended,
12 on tenants, brokers, and landlords. We take these
13 steps to do our due diligence, because with any
14 legislation, it may have consequences that are
15 difficult to identify and quantify, including
16 potentially passing fees to tenants through other
17 charges or increased rents, particularly for units
18 that are not rent stabilized.

19 We look forward to hearing the public feedback on
20 this legislation today, diving deeper into the policy
21 with the bill sponsors and stakeholders weighing in
22 on this bill, so that there is a robust conversation
23 about ways to ensure New Yorkers have transparency in
24 the rental process.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 27

2 On behalf of the Administration, we want to thank
3 the City Council for their leadership on this issue.

4 CHAIRPERSON MENIN: Thank you very much. I also
5 want to mention we've been joined by Majority Leader
6 Farias and Councilmember Powers.

7 So I have a number of questions, and then I will
8 turn it over to my colleagues for their questions.

9 How many complaints do you currently get from
10 tenants about brokers fees, and what is the nature of
11 those complaints?

12 FIRST DEPUTY COMMISSIONER TIGANI: I don't have
13 exact number on complaints that we get about broker
14 fees. Broker fees are-- as many fees related to the
15 non-regulated or the private market units are subject
16 to state regulation, so they don't normally-- or they
17 wouldn't be channeled through HPD.

18 CHAIRPERSON MENIN: And in terms of your position
19 on Intro 360, obviously you testified about it. What
20 would the Administration suggest in terms of
21 enforcing Intro 360?

22 FIRST DEPUTY COMMISSIONER TIGANI: Based on my
23 understanding, the enforcement of fees of this nature
24 live within state regulation, and additionally
25 anything related to the profession of--

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 28

2 CHAIRPERSON MENIN: I'm sorry, can you repeat
3 that?

4 FIRST DEPUTY COMMISSIONER TIGANI: So fees of
5 this nature are typically subject to state
6 regulation, which is my understanding. We are
7 reviewing the legislation as an administration and
8 trying to make sure that we understand it thoroughly.
9 But that, in addition to the licenses, which are
10 overseen by the Department of State, both seem to be
11 on a state level regulation.

12 CHAIRPERSON MENIN: How does HPD interact with
13 brokers fees for projects that HPD funds?

14 FIRST DEPUTY COMMISSIONER TIGANI: So, for HPD
15 projects, any administrative fees associated with our
16 regulated units are part of a management plan that
17 needs to be approved by HPD. We do not have broker
18 fees in our regulated projects. There are some fees
19 that may be allowed for special housing types like
20 Mitchell-Lama, but we have no broker fees.

21 We work-- We put our units out to the public
22 through Housing Connect, and the managing agents that
23 work with owners in that process are part of that
24 process. There is no application fee or broker fee
25 connected to that work, in the Housing Connect work.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 29

2 With voucher work, that exists in a different space,
3 and broker fees may be involved, but for many people,
4 they may have access to broker fee support through
5 HRA.

6 CHAIRPERSON MENIN: Now, you mentioned that
7 you're not receiving complaints directly about
8 brokers fees. But have you looked into any ways that
9 tenants can convey concerns directly to HPD?

10 FIRST DEPUTY COMMISSIONER TIGANI: I will--
11 First of all, I will go and double check and make
12 sure that-- if there is a number that we report to
13 the Council. But since it does not typically come to
14 HPD rather than 311, the City does have, through the
15 Tenant Protection Cabinet, a tenant helpline. The
16 Tenant Helpline is staffed by housing specialists
17 that can help direct questions about relief or
18 questions about the legality of any particular fees
19 to the right enforcement agency.

20 So, a tenant can either call 311 to be connected
21 to the Tenant Helpline, they can go online to the
22 website that has a centralized bank of information to
23 be able to get resources and know where to go, and
24 there's some automated chat features to help with
25 some basic questions.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 30

2 CHAIRPERSON MENIN: Okay. I'm going to pass it
3 on to my colleague, Councilmember Ossé, and then
4 other colleagues for their questions.

5 COUNCILMEMBER OSSÉ: Thank you, Chair menin, and
6 good morning. I know that initially, DCWP, the
7 Department of Consumer and Worker Protections, was
8 supposed to testify today, but they were unable to.
9 I know that they're going to be the, or would be the
10 potential agency to provide enforcement if this bill
11 were to pass. I am aware that most of HPD's purview
12 and enforcement power lies with protecting existing
13 tenants in their current housing situation and
14 holding landlords accountable, not necessarily, the
15 real estate transactions that happen before a tenant
16 becomes a resident of the building.

17 Can HPD potentially expand its current programs
18 or initiatives, such as the Office of Tenant
19 Harassment, or expand their Certificate of No
20 Harassment to protect prospective tenants, landlords,
21 and brokers in a rental transaction?

22 FIRST DEPUTY COMMISSIONER TIGANI: I-- Again,
23 these are questions that we're looking at. I would
24 say that if these issues come up through our
25 proactive anti-harassment work, or if questions come

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 31

2 up through the Tenant Helpline, or in any of our
3 outreach events and engagement activities, we would
4 make sure that that tenant would be directed to the
5 proper enforcement agency to seek relief. Yes.

6 COUNCILMEMBER OSSÉ: And what agency would you
7 feel is best suited to handle this enforcement then?

8 FIRST DEPUTY COMMISSIONER TIGANI: Uh, DCP can
9 speak to that question. But as I mentioned earlier,
10 the Administration is reviewing this and can come
11 back with further options.

12 COUNCILMEMBER OSSÉ: Right. Because I know that
13 HPD is not the agency that would provide enforcement
14 for this, and I know DCP was initially going to
15 provide testimony, I don't have any further
16 questions. Thank you.

17 CHAIRPERSON MENIN: Thank you. I'm now going to
18 call on Councilmember Hudson for her question.

19 COUNCILMEMBER HUDSON: I actually was going to
20 ask if you could speak to why DCWP isn't here. It is
21 all of our understanding that they would be the
22 agency to enforce such a bill, and the Administration
23 sent HPD instead of DCWP. So, I don't know if you're
24 authorized to speak on that, but I would love to know
25 why DCWP isn't actually here.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 32

2 FIRST DEPUTY COMMISSIONER TIGANI: I can't speak
3 to why DCWP is not here. I can say that HPD wanted
4 to be here to answer any questions about housing
5 market information, our experience with creating
6 housing.

7 The larger thought we just want to continue to
8 enforce is that now that we are in a housing crisis
9 that's been mentioned by many people here, and prior
10 to this hearing, we want to emphasize the focus on
11 making sure that we're building and creating new
12 housing and preserving housing. But I can't speak to
13 the reason the other agency is not here.

14 COUNCILMEMBER HUDSON: I'll say just for the
15 record. I mean, we certainly appreciate HPD's
16 willingness to be here as a city agency that would, I
17 think, in part, be associated with, with what we're
18 talking about.

19 But I also want to state for the record that the
20 fact that DCWP, who would be the primary agency
21 responsible for such a bill is not here is noted. It
22 also hinders our ability as Councilmembers to ask the
23 most appropriate questions and to get relevant
24 answers. So, thank you for being here. But I just
25 want to make clear to everybody that's here and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 33

2 again, for the record, that without the agency solely
3 responsible for implementation of this bill, it makes
4 it really difficult for us to get the answers and to
5 have the productive and constructive hearing that we
6 were hoping to have this morning. So, thank you,
7 everyone for being here, but DCWP really should be
8 here as well. Thanks.

9 FIRST DEPUTY COMMISSIONER TIGANI: The only thing
10 I'll add, I appreciate that Councilmember, I will
11 just emphasize, as an administration, all the
12 relevant agencies, the law department, these are-- we
13 are in active conversations, so we will be listening
14 to the feedback and the questions that come out of
15 this discussion at this point in the process, and
16 making sure that we're bringing back ideas and
17 continuing the discussion with Council.

18 COUNCILMEMBER HUDSON: Yeah. And again, we
19 appreciate that from you, but I'm making my point
20 about DCWP. Thank you.

21 CHAIRPERSON MENIN: The Public Advocate?

22 PUBLIC ADVOCATE WILLIAMS: Thank you. And I want
23 to associate myself with everything the Councilmember
24 said. I know you don't have specific information
25 about complaints. The information that you do have:

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 34

2 Has it been shown that the broker's fees have been
3 prohibitive for some folks to get into housing?

4 FIRST DEPUTY COMMISSIONER TIGANI: I think-- I
5 think basically, the combination of both the low
6 vacancy rate and our inability to build the supply
7 that we need has-- We know that there's pressure.
8 There's a number of different pressures on the
9 market. Both our zoning and our regulatory
10 environment is not as equipped to be able to build
11 the supply that we need, which then creates a lot of
12 pressure on both-- on all the actors in the housing
13 industry.

14 So, you know, the reason why-- I think-- As I
15 said, we're excited to talk about new legislation is
16 that we're looking for as many ways as we can to
17 create transparency, and access, and maneuverability
18 in the housing market.

19 PUBLIC ADVOCATE WILLIAMS: You mentioned a couple
20 of forces that are making it difficult.

21 FIRST DEPUTY COMMISSIONER TIGANI: Yes.

22 PUBLIC ADVOCATE WILLIAMS: Is the entry into
23 housing, including brokers fees, one of those things?

24 FIRST DEPUTY COMMISSIONER TIGANI: That's not a
25 data point that I have, so I can't speak to it in any

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 35

2 quantitative manner. I know that basically we are--
3 we are seeing that there are multiple ways that
4 creating access to housing is difficult. Sometimes
5 it has to do with the availability of a unit to be
6 rented at that point, because of the condition of
7 that unit. It has to do with navigating any
8 regulatory pieces to putting a unit up and then
9 finding and going through any process to bring a
10 tenant into that unit.

11 You know, in our regulated housing it's something
12 that we have constantly looked at. It's the reason
13 why we've removed paperwork from the process. We've
14 gotten rid of credit checks for tenants with rental
15 assistance. We're looking at reducing the income
16 eligibility paperwork, so that people can move
17 through the process faster, moving the file
18 information review to the back-end audit. We see
19 that through the overall process of bringing tenants
20 into housing, there could be improvements being made,
21 and there are similarities in the private market as
22 they go through the tenant selection process.

23 PUBLIC ADVOCATE WILLIAMS: And you don't have
24 the-- You say you don't have the data point. Who
25 would have the data?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 36

2 FIRST DEPUTY COMMISSIONER TIGANI: You know, I
3 can go back and talk to others in the Administration.
4 We can reach out to 311 and see what complaints that
5 they have, and come back to you.

6 PUBLIC ADVOCATE WILLIAMS: Thank you.

7 CHAIRPERSON MENIN: Great. Thank you so much.
8 Now I'm going to turn it over for questions to
9 Councilmember Nurse followed by Councilmember Avilés.

10 COUNCILMEMBER NURSE: Thank you, Chair. So, you
11 right now are basically saying you have zero data
12 points to offer in this hearing, a hearing that you
13 knew was going to be about broker fees. You have
14 literally zero data you're not able to answer any
15 questions. Can you explain to me exactly what the
16 relationship of HPD is to broker fees of any point?
17 To enforcement, to advising or putting any input on
18 this system of broker fees in the city?

19 FIRST DEPUTY COMMISSIONER TIGANI: I can
20 Councilmember. So, I think one thing, one role that
21 HPD is playing in the evaluation of the bill is to
22 understand what could be the intended and unintended
23 consequences of a bill.

24 COUNCILMEMBER NURSE: So, what are those intended
25 and unintended consequences?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 37

2 FIRST DEPUTY COMMISSIONER TIGANI: Sure. So,
3 there are-- You know, basically there are costs
4 associated with renting a unit, and understanding how
5 those costs shift when things are allowed and not
6 allowed is one thing that HPD could lend its
7 expertise.

8 COUNCILMEMBER NURSE: So do you have something
9 conclusive to offer today?

10 FIRST DEPUTY COMMISSIONER TIGANI: As I mentioned
11 earlier, the Administration continues to review the
12 legislation and are waiting to hear more feedback,
13 talk to the Council, continue that evaluation with
14 other agency partners.

15 COUNCILMEMBER NURSE: I just want to say, I think
16 you have wasted-- maybe not you personally, because
17 I'm sure you didn't make this call, but this
18 Administration has wasted our time today. You all
19 knew that many people were going to be here today,
20 because this clearly impacts so many New Yorkers, and
21 you all showed up with no data, no input, nothing
22 conclusive, no analysis to offer on this bill. It's
23 embarrassing, truly embarrassing.

24 People here-- There's a lot of people here who
25 have something to say. They want to actually make a

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 38
2 system that works in the middle of a housing crisis,
3 and they left you on the chopping block, to come here
4 and have no input on this. I mean, this is just--
5 this is disgusting. It truly is. I'm-- I am livid
6 right, now because I'm a tenant. A lot of people
7 here are a tenant. A lot of people in this room are
8 tenants. We are desperate. And you have come here
9 with nothing to offer, not even substantive debate.
10 It's one thing if you came and said, "We disagree
11 with this bill, and here's why, point one, two,
12 three." But you're not even coming with that. What
13 you're saying is a lot of nonsense sentences.

14 FIRST DEPUTY COMMISSIONER TIGANI: Councilmember
15 with due respect, I-- You know, I've come here as a
16 representative of the Administration to say that we
17 believe that there is an important discussion here.
18 We believe that there are elements of the housing
19 industry where we can continue to work to push for
20 better access for tenants into housing. We have been
21 successful in some parts in our regulated stock. We
22 believe that there is a discussion where we need to
23 hear from stakeholders. That's what this hearing is
24 set up to do, what we've convened. We want to hear
25 this information, take that into our evaluation, and,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 39

2 like all pieces of legislation, continue the
3 discussion with the Council after today.

4 COUNCILMEMBER NURSE: You knew this was coming,
5 even if you're not the agency that has to directly
6 deal with this. If it was me, I would have come
7 prepared, no matter what my boss told me, because I
8 would never want to show up to something unprepared
9 like this. Thank you Chair.

10 CHAIRPERSON MENIN: Thank you. Now,
11 Councilmember Avilés.

12 COUNCILMEMBER AVILÉS: Thank you Chair. I share
13 my colleagues frustration here. To spend time-- The
14 amount of effort that goes in to getting us all here
15 to this table, months of activity, to sit in front of
16 a dais that is empty with such a critical issue is
17 truly a slap in the face, and it seems to be a
18 hallmark of this Administration.

19 I thank you for being here, and I know you do
20 good work at HPD, but I think you've also answered
21 our question when you noted HPD projects don't have
22 broker's fees because you are working to make sure
23 that the most vulnerable New Yorkers, those with low
24 incomes, those working-class New Yorkers, are going
25 to get access to units.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 40

2 So you have answered the question for us, despite
3 having no information for us. And I will say it is
4 unconscionable that in a housing crisis, we have an
5 Administration that won't even come to the table with
6 some analysis, that won't contribute to a
7 constructive conversation, because this impacts so
8 many lives, both the brokers who are here, the
9 renters who are here, and families who cannot live in
10 neighborhoods because they can no longer afford to do
11 so.

12 We need to do better. And you have an analysis.
13 This Administration has experience, and has analysis,
14 it has research, it has capability, and it
15 demonstrates nothing. It is truly unfortunate. And
16 I hope everyone in this room, no matter what your
17 feeling is on this system, the fact that we cannot
18 engage in a dialogue. That you're listening, when
19 you know this is a crisis is truly appalling. And I
20 don't mean to direct that to you. I am talking to
21 the Administration and the executive apparatus that
22 has millions of dollars at its disposal, many, many
23 full-time staff, that you do not come here to have a
24 full and honest discussion about what is occurring on
25 the ground.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 41

2 So, I'm sorry, Chair. Thank you for that. Thank
3 you for the time.

4 CHAIRPERSON MENIN: Thank you very much. So, I'm
5 going to make a request, because quite honestly, as a
6 Chair of this Committee, we have over 400 people that
7 are signed up. I'm going to be here honestly all
8 night, along with my colleague, Councilmember Ossé,
9 to hear from the public. And so, no matter where one
10 stands on the bill if you're strongly for it, if
11 you're strongly against it, the data is important.

12 So, I started off the hearing with unbelievably
13 rudimentary data questions that are, you know, no
14 matter where one stands on the bill, we just want to
15 have this data. How many broker-- complaints about
16 brokers fees? How many tenant complaints do you have
17 about brokers fees? What is the content of those
18 complaints? What is HPD doing in terms of their own
19 projects and brokerage fees?

20 So, I'm going to ask that this committee get the
21 data by 5pm today. So, while we are still here
22 speaking to the public, we have the necessary data to
23 properly conduct this hearing.

24 Thank you, and now turn it over to Councilmember
25 Ossé.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 42

2 COUNCILMEMBER OSSÉ: Thank you so much, Chair
3 Menin. I wanted to follow up on a point you made
4 about this being a state regulation or a-- can you
5 speak to why you believe that is the case?

6 FIRST DEPUTY COMMISSIONER TIGANI: Yes. So, on
7 the licenses, I think it's a fairly well-documented
8 where licenses for real estate brokers exist, and so
9 anything related to that profession would live there.
10 On-- When it comes to things related to rental
11 payments in the private market, non-HPD regulated
12 housing, we would-- we usually defer that to state
13 regulation. More often than not, it lives within the
14 Office of Rent Administration within HDR.

15 COUNCILMEMBER OSSÉ: Okay, so that's the only
16 thing you came here with. And I disagree with that
17 statement on multiple reasons. One, the state deals
18 with rent and setting rents. The broker fee is a fee
19 that is not considered rent. It is a prepayment or a
20 payment for a service, right?

21 Two, the Albany Supreme Court struck down the
22 2020 Guidance because of two issues: One, the
23 guidance was ordered by an agency in the Department
24 of State and not the legislative body. The judge
25 ruled that an agency could not and does not have

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 43

2 lawmaking authority if you are referring to the law
3 of 2020.

4 Third, the Department of State, through its real
5 estate board, governs the licensure, as you said, and
6 continuing education of real estate state
7 salespersons and brokers. The board deals with the
8 laws written in Article 12-A of the state's real
9 property law. Currently, there is no statute or law
10 in Article 12-A that would likely preempt the City
11 from legislating on who pays for the broker fee.

12 The primarily the-- Primarily the laws in
13 Article 12-A that deal with compensation are laws
14 that talk about who the broker can split fees with,
15 or who a real estate salesperson can receive
16 compensation from.

17 And I think you-- you hinted at a point about
18 this potentially not being a city--

19 FIRST DEPUTY COMMISSIONER TIGANI: No. I-- As
20 far as-- Two things: One DOS passed guidance, not a
21 law, and it was based on a 2019, piece of state law,
22 which is why I was referring to the state law--

23 COUNCILMEMBER OSSÉ: Okay.

24 FIRST DEPUTY COMMISSIONER TIGANI: --and that
25 oversight. As far as the City's position on whether-

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 44

2 - on the bill and regulatory power, that's still--
3 that's still something that's being reviewed.

4 COUNCILMEMBER OSSÉ: Being discussed. Right.

5 So, I'll just speak to that. Because the government
6 can regulate. The city government can regulate
7 private businesses to promote the public's health,
8 safety, welfare, and morals. The Council has passed
9 numerous resolutions declaring an emergency with the
10 city's housing crisis. Therefore, this is a public
11 need we need to address, and there can be legislation
12 like the FARE Act that seeks to address this public
13 need. So, maybe bring that back to the Admin and
14 future discussions.

15 FIRST DEPUTY COMMISSIONER TIGANI: Yes, sir.

16 COUNCILMEMBER OSSÉ: Thank you.

17 CHAIRPERSON MENIN: Okay, Councilmember Powers.

18 COUNCILMEMBER POWERS: Thank you. Nice to see
19 you, Commissioner. Thank you Chair Menin and
20 Councilmember Ossé for having this hearing today.

21 I found last term, when looking at the data, the
22 actual difficulty is finding real data on this
23 because they're a series of private transactions
24 happening, and getting to the real data points--
25 There are data points, I think, that the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 45

2 Administration could look at, or even the Council
3 could look at it, which is even just a prevalence of
4 the fees.

5 I think my office looked at my district on
6 StreetEasy found about 50% of the apartments listed
7 on there (back then, I mean I could dig up the old
8 data) were-- had a fee and 50% didn't. I don't know
9 what those datapoints are now, but in fairness, it's
10 extremely difficult to get data on this, which might
11 be the reason, whether you believe in the fee or not
12 believe in the fee, there still may be a need for
13 some regulatory action here, because I think we are
14 talking about a series of transactions with a lot of
15 money involved, that I think there are serious
16 concerns around how they impact tenants. And of
17 course we're going to hear from brokers on their
18 impact today.

19 But I think whatever it is, I think there's a
20 need for information and regulatory action, and also
21 the City be more involved in this, because I think
22 there are-- A lot of the reason we're not getting
23 data on 311 is because New Yorkers are not going to
24 turn to the city, in my view, unless it's a really
25 predatory action or something that takes place.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 46

2 So, I think the reason we're here today is to
3 have a conversation about the fees, but also about
4 how we might be able to have more information in the
5 future. So, I recognize the challenge faced here by
6 the Administration, and you about exactly trying to
7 get to the type of data that you would want to be
8 able to provide today, which is, I think, a good
9 reason for having this hearing.

10 I just wanted to go back to a couple things. I
11 think this was mentioned earlier, but HPD units that
12 are marketed do not have a broker fee on them.

13 FIRST DEPUTY COMMISSIONER TIGANI: HPD units that
14 go through our finance and go through our regulatory
15 agreement process do not have a broker fee. Any
16 administrative fees that are connected to it would go
17 through a management plan that we review and approve.

18 There's also no application fees as part of
19 Housing Connect. There are certain housing types
20 that may have costs or fees associated, like
21 Mitchell-Lama, but those go through a review and also
22 need to be approved if any move forward.

23 COUNCILMEMBER POWERS: And there's no fees
24 because that's a-- that's a prohibition that has been
25 put in place by HPD? Or because you are-- have some

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 47

2 good. Roll over those units and you're choosing not
3 to?

4 FIRST DEPUTY COMMISSIONER TIGANI: It's a
5 different produced housing. Like the costs and the
6 financing and the pre development process to go from
7 no project to project involves public subsidies. So,
8 there's already been certain investments made up
9 front. When we're working with the private market
10 and trying to connect people to housing using rental
11 assistance, depending on the rental assistance source
12 there may be-- there are broker fees sometimes
13 involved, and those broker fees can be covered by
14 different programs that we have. CityFHEPS has a
15 broker fee voucher application eligible individuals
16 may be able to apply to. When the federal government
17 had the emergency housing voucher program, we had the
18 ability to use broker payment vouchers as a way to
19 create more opportunities for tenants. In fact, in
20 that situation, brokers were integral into helping us
21 navigate a low-vacancy environment and connect people
22 to housing in a time limit where we had to connect
23 many people with vouchers to housing while the
24 opportunity existed. And there may be-- And there
25 are sometimes opportunities for standard voucher

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 48

2 holders to get broker fee assistance through help
3 with HRA if they eligible.

4 COUNCILMEMBER POWERS: Thanks. I think
5 Councilmember Ossé asked this question. I just
6 wanted to repeat it. Can you talk, as you're
7 evaluating this legislation, what are the factors
8 that you are considering? You guys don't have a
9 stated position here today, and certainly a public
10 hearing is a good opportunity to hear from everyone
11 exactly on their sentiment. But can you talk more
12 about what are the issues you are evaluating in the
13 process of determining the Administration's position
14 on it? Because I-- It's fairly vague here now, and I
15 wanted to get a better understanding of what you guys
16 are thinking about as you decide if this bill passes,
17 whether to sign it, veto it, let it pass into law.

18 FIRST DEPUTY COMMISSIONER TIGANI: Sure. So, I
19 think that there-- there are a number of fees and
20 costs associated with housing, some of it regulated
21 by the 2019 state law that we've talked about
22 earlier, but particularly in non-regulated, non-rent-
23 regulated housing, market housing as it's often
24 referred to, costs can be pushed into other areas of
25 the housing search and lease-up process. So, we're

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 49

2 trying to look at the different ways that that may
3 happen, different permutations.

4 Additionally, we want to understand better the
5 impact this may have on an industry that employs many
6 New Yorkers here within the city. And those two
7 factors, in itself, require a deeper analysis from
8 multiple agencies, both in the housing front, housing
9 supply, access, and economic development front, and
10 workforce development front.

11 COUNCILMEMBER POWERS: Okay, thank you.

12 CHAIRPERSON MENIN: Okay. Thank you very much.
13 So, I'm going to ask the Sergeant Of Arms to just--
14 These are the questions that I asked at the top. So,
15 we'd like to get answers by 5pm, so we can study
16 them. So, Carl, do you mind passing that? Thank you
17 so much.

18 And seeing no more questions, I want to thank you
19 for testifying today, and we are now going to move on
20 to the public comment period.

21 So, I'm now opening up the hearing for public
22 testimony. I want to remind members of the public
23 that this is a formal government proceeding and that
24 decorum shall be observed at all times. As such,
25 members of the public shall remain silent at all

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 50

2 times. Again, if you agree with the speaker, feel
3 free to do this [MAKES JAZZ HANDS GESTURE], but
4 otherwise people need to remain silent.

5 The witness table is reserved for people who wish
6 to testify. No video recording or photography is
7 allowed from the witness table. Further, members of
8 the public may not present audio or video recordings
9 as testimony, but they may submit transcripts of such
10 recordings to the Sergeant at Arms for inclusion in
11 the hearing record.

12 If you wish to speak at today's hearing, please
13 fill out an appearance card with the Sergeant at Arms
14 and wait to be recognized. When recognized, you will
15 have two minutes to speak on today's topic, which is
16 obviously Intro 360. If you have a written statement
17 or additional written testimony you wish to submit
18 for the record, please provide a copy of that
19 testimony to the Sergeant at Arms. You may also e-
20 mail written testimony to testimony@council.nyc.gov
21 within 72 hours of this hearing. Audio and video
22 recordings will not be accepted.

23 So, I'm now going to call our first panel. So,
24 our first panel is Brooklyn Borough President Antonio
25 Reynoso. Borough President?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 51

2 BOROUGH PRESIDENT REYNOSO: Good morning,
3 Council. I'm grateful to be an entire panel. I just
4 want to say, I apologize. It is embarrassing, and it
5 is sad that there are many people here for or against
6 this legislation that would love to really get to the
7 bottom of data that supports the case that's being
8 made by Councilmember Chi Ossé and his legislation.
9 Instead, we're going to be relegated to having a
10 conversation that we've already had in the public.
11 We are wasting time. This is a literal waste of
12 time.

13 From what I understand, I don't know if anybody
14 from the Administration has even stayed to listen to
15 the testimony of all these people that care deeply
16 about this issue one way or another.

17 Another thing is putting Ahmed Tigani, who is
18 arguably one of the hardest working and most lovable
19 kind servants for the City of New York in front of
20 us: It's not a mistake. That is not by-- by chance,
21 that he's the one that's here. So, I just want to
22 shout out Ahmed and the great work that he does. And
23 this is obviously not a reflection of his work, but
24 more a reflection of this Administration.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 52

2 I guess I'll speak to my testimony, which, again,
3 I want to say, really I'm not happy that I'm spending
4 time here when I could have been doing other things
5 in Brooklyn.

6 So, first, I am Antonio Reynoso, and I'm the
7 President of the greatest borough in the City of New
8 York, which is Brooklyn, New York, but I--

9 [BACKGROUND VOICES]

10 Amanda Farías, Councilmember, is arguably from
11 one of the next-best boroughs in this city. But it's
12 all love. We're from Brooklyn, so we always show
13 love.

14 Good morning, Chair Menin. Thank you for holding
15 this hearing today, and thank you to Councilmember
16 Ossé for introducing this important and common-sense
17 bill.

18 No one here, not even the landlords, needs to
19 tell me that you-- that we are experiencing a housing
20 crisis. But because we are not building enough, New
21 York City's vacancy rate is the lowest it's been
22 since 1968. Fewer apartments are available across
23 all rent levels, meaning it's especially difficult
24 right now for low- and moderate- income New Yorkers
25 to find secure housing.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 53

2 [BELL RINGS]

3 I guess-- There you go. Thank you so much for
4 having me.

5 CHAIRPERSON MENIN: If you want to--

6 BOROUGH PRESIDENT REYNOSO: I don't want to
7 continue.

8 CHAIRPERSON MENIN: I think there's some
9 questions for you, so...

10 BOROUGH PRESIDENT REYNOSO: Questions I'll
11 answer, but I just don't want to waste anybody else's
12 time that's behind me, because you guys are going to
13 be here a long time, and I want to make sure they get
14 their time. But I'm more than happy to answer
15 questions. Thank you Chair.

16 CHAIRPERSON MENIN: Thank you so much, Borough
17 President, for being here, and I'm going to turn it
18 going to turn it over to Councilmember Ossé, who has
19 some questions for you.

20 COUNCILMEMBER OSSÉ: Thank you, Borough
21 President. Has your office had any complaints from
22 constituents about the broker fee or having been
23 forced to pay a broker fee?

24 BOROUGH PRESIDENT REYNOSO: We-- We originally
25 weren't receiving any information or gathering

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 54
2 information related to broker fees until your
3 legislation came up. Then there was deep support
4 that was coming in for my advocacy, for the FARE Act.

5 So, I want to say that I think your advocacy and
6 the introduction of the legislation was the first
7 time we started getting questions or requests for
8 advocacy from Brooklynites for this legislation.

9 COUNCILMEMBER OSSÉ: Okay.

10 BOROUGH PRESIDENT REYNOSO: So, we don't-- we
11 don't have the data, but are more than happy to pull
12 it up from our constituent services, the amount of
13 calls we've gotten to the concerns related to the--
14 to the FARE Act.

15 COUNCILMEMBER OSSÉ: That would be really helpful
16 if you can get that whenever you can.

17 BOROUGH PRESIDENT REYNOSO: Will do. Will do.

18 COUNCILMEMBER OSSEE: That would be very
19 supportive. Thank you.

20 BOROUGH PRESIDENT REYNOSO: Thank you. And I
21 just-- On a personal experience, I note,
22 Councilmember, I paid \$7,500 to get into my apartment
23 through a broker fee, and a first and second month's
24 rent. I think I want to say in 2000-and-like-9. And
25 it was very difficult for me to-- who is well-- well-

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 55

2 off. You know, middle class. Everyone knows my
3 salary here. I knew my salary when I was a
4 Councilmember. But when I was a Councilmember it was
5 very difficult. And those challenges are real, and
6 people that experience it, you know, paying \$5000
7 versus \$7500 would have been a big difference to me
8 and my family as we were growing, and I wasn't able
9 to experience it. So, I'm not only here on a
10 professional level, I'm here on a personal level as
11 well.

12 COUNCILMEMBER OSSÉ: In that experience, did you
13 go out to hire the broker?

14 BOROUGH PRESIDENT REYNOSO: No. I never saw the
15 broker in my life.

16 COUNCILMEMBER OSSÉ: You never saw them?

17 BOROUGH PRESIDENT REYNOSO: Never saw the broker.
18 I saw it online. I went to go visit the apartment,
19 and it came with a first, second-- what was called
20 the security-- a first month's security and broker
21 fee. And I had to pay all three of them in one shot.

22 COUNCILMEMBER OSSÉ: \$7,500?

23 BOROUGH PRESIDENT REYNOSO: 7500 bucks. Yeah.

24 And I think that was in-- It was a long time ago.

25 It was in-- not in the apartment I am now, but in the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 56

2 apartment I was in before. I'm still a tenant. I
3 also had to pay for the broker fee for this house,
4 which I found on my own as well.

5 COUNCILMEMBER OSSÉ: Twice.

6 BOROUGH PRESIDENT REYNOSO: So-- So, this is the
7 second time, but this one was just the first month's
8 and a broker fee for the new apartment. But the
9 broker fee was something I had to pay both times.

10 COUNCILMEMBER OSSÉ: Thank you.

11 CHAIRPERSON MENIN: Thank you very much, Borough
12 President, being here.

13 BOROUGH PRESIDENT REYNOSO: Thank you so much for
14 this important hearing.

15 CHAIRPERSON MENIN: Thank you. I'm now going to
16 call the first panel is going to be Gary Mallon, Bess
17 Friedman, Brian Phillips, Ryan Monnel. And while
18 they're coming up, just in the interest of time, I'm
19 going to let the second panel, know, so they can
20 start to get ready: Rob Solano, Andrea Joseph,
21 Jeffrey Hannon, Annie Abreu, and Bradley Tusk on
22 Zoom. Thank you. yyy

23 Okay. Okay, thank you. Please begin.

24 COUNCILMEMBER OSSÉ: Press the-- Press the mic.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 57

2 MR. MALLON: Ah, thank you, ladies and gentlemen,
3 here we find ourselves again discussing yet another
4 broker fee bill. It is crucial that we all
5 understand the law of unintended consequences. When
6 people attempt to legislate an industry they do not
7 know or understand, it inevitably leads to problems
8 for everyone involved, and unfortunately, tenants
9 will pay the price. We all support a more affordable
10 New York. We all want the city to be a place where
11 people can find affordable housing. However, this
12 bill will not achieve that goal. We face a supply-
13 and-demand issue until we address this, pricing will
14 not change. The market will become less negotiable.
15 Landlords have become more rigid in the fees they
16 charge, and these fees will be baked into the cost of
17 rent, pushing them even higher.

18 If we truly want to affect the cost of living in
19 New York City, we need to address the lack of
20 building in New York City. This legislation is not
21 an attempt to find a meaningful solution. It is
22 legislation for the simple sake of legislation. Look
23 at the 2019 rent laws: Despite their goals, rents
24 grew by 26% since the law was enacted. It's harder
25 than ever to find an apartment. The bill will have

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 58

2 similar unintended consequences. We currently have
3 an efficient, transparent, and fully negotiable
4 rental market.

5 Enacting this bill will reduce all of those
6 benefits on top of making everything more expensive.
7 The services that agents provide are constantly
8 devalued by this Council. Most agents work six to
9 seven days a week, absorbing almost all of the risk
10 in this industry. Every call they answer, every
11 showing they book, does not guarantee a signed lease.
12 Agents often spend their own time and money on
13 clients who work with multiple brokers
14 simultaneously.

15 Saying agents only open doors is far from the
16 truth. If this fundamental change happens, there
17 will be even less availability to view apartments.

18 Unlike agents, building owners don't work seven
19 days a week. At the end of the day, tenants have a
20 choice. They don't have to use a broker if they
21 don't want to. 50% of the apartments available right
22 now are no fee apartments. This disruption has the
23 potential to hurt tenants and will ultimately cost
24 them more money.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 59

2 Along with REVNY and all residential firms, I
3 actively oppose this bill. It will compromise market
4 transparency, and in short, tenants will pay the
5 price. Thank you.

6 CHAIRPERSON MENIN: Thank you. The next
7 panelist-- Yes, thank you.

8 MS. FRIEDMAN: Good afternoon everyone--

9 COUNCILMEMBER OSSÉ: Turn on the mic.

10 CHAIRPERSON MENIN: You want to turn it on so the
11 red light-- when you see the red light, it is on.

12 MS. FRIEDMAN: Gotcha. Thank you. Good
13 afternoon. Bill Intro 360 threatens not only the
14 livelihood of New York City Real Estate Agents, but
15 also the financial welfare of the very tenants the
16 bill seeks to protect. If passed, this bill will
17 push brokerage fees onto landlords. Landlords, in
18 response, will bake these fees into the monthly rent
19 for the tenants to absorb, and will therefore
20 increase their rents, not only the year they sign,
21 but each year they choose to renew. Today, an
22 upfront fee in writing is transparent and negotiable.
23 This bill would make the fees hidden and progressive,
24 predatory, and incredibly misleading. Hard working
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 60
2 agents who make zero dollars unless a deal gets done
3 will also feel a major financial impact.

4 Despite reality TV shows the starting income for
5 a New York City agent is \$52,000 a year. That's less
6 than many politicians here today make, and let's not
7 forget, many of these agents are renters themselves.

8 So, here are the facts, housing affordability
9 will not be solved by this misguided and hollow
10 legislation, and in fact will be made much worse.
11 Simply put, this bill will make it harder for brokers
12 to be fairly paid, raise housing costs, and limit
13 housing access. The last thing New York City needs
14 right now. Housing is expensive because there's not
15 enough of it.

16 Less than 10,000 new multifamily units were
17 proposed in New York City in 2023. A wide range of
18 experts agree we need more than 500,000 new units to
19 keep up with population growth by 2030. The lack of
20 supply and increasing demand gets plenty-- gives
21 plenty of runway for higher rents.

22 Brokers, as mentioned here earlier, are
23 instrumental in helping incoming residents navigate
24 the unique and complex rental market in New York.

25 [BELL RINGS]

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 61

2 Being a broker--

3 CHAIRPERSON MENIN: I'm just going to ask you to
4 wrap up, please.

5 MS. FRIEDMAN: Yes, being a broker is an
6 accessible career that welcomes immigrants, single
7 mothers, people of color, and young people just
8 starting out. So, along with making apartments more
9 unaffordable, this bill is also making it harder for
10 brokers to make ends meet and taking away people's
11 livelihoods.

12 [BELL RINGS]

13 Finally, the current state of the market
14 determines whether a broker fee is paid by an owner
15 or a tenant, and whether the fee is one month's rent
16 or 15%, all of which is negotiable to the benefit of
17 renters. This bill would take that consumer choice
18 away.

19 New Yorkers want to make decisions about their
20 housing--

21 CHAIRPERSON MENIN: We just to-- every member of
22 the public gets two minutes. So, really, I've got to
23 ask you to wrap up.

24 MS. FRIEDMAN: Okay, well, here's-- I'll be
25 closing sorry. If the City Council is a real partner

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 62

2 in solving our housing crisis, they must stop this
3 legislation, and I hope that local lawmakers and the
4 public fully understand what is at stake before
5 considering Intro 360. New Yorkers simply cannot
6 afford for rents to jump up at a time when so many
7 are in need of quality housing.

8 CHAIRPERSON MENIN: Okay--

9 MS. FRIEDMAN: This bill will do the opposite of
10 what it claims people--

11 CHAIRPERSON MENIN: Okay. We've got to wrap up.
12 We--

13 MS. FRIEDMAN: --and the process will be far less
14 transparent. Thank you.

15 CHAIRPERSON MENIN: Thank you. Can we hear from
16 the next panelist? Please? Thank you.

17 MR. PHILLIPS: Good morning, Chair Menin and
18 members of the Committee on Consumer and Worker
19 Protection. My name is Brian Phillips. I'm an
20 Associate Broker with Douglas Solomon Real Estate
21 here in Manhattan, where I both live and earn a
22 living. I actually live in Harlem, and some of my
23 colleagues who live or work in Harlem are in the room
24 with me today.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 63

2 I'm a member of the New York State Association of
3 Realtors, where I am the 2024 Chair of the New York
4 City Issues Working Group, and I serve on the
5 legislative steering committee at NYSAR. Many NYSAR
6 members are here in attendance today. Additionally,
7 I'm a member of the Real Estate Board of New York.

8 As a small landlord and a real estate agent, I
9 specialize in rentals as a key part of my business.
10 As a small landlord, I have faced significant
11 financial pressures due to rising real estate taxes,
12 homeowners, insurance and maintenance costs. These
13 increases have forced me to increase rents, a
14 situation shared by many of my landlord clients.
15 This financial strain is further complicated by the
16 proposed requirement for landlords to pay the
17 brokerage fee when hiring agents on an exclusive
18 basis. This requirement could lead to two likely
19 outcomes: Landlords may either incorporate the
20 broker fee into the rent, spreading it over the
21 entirety of the lease. This would result in higher
22 monthly rents and increased lease renewal rates,
23 which are based on a last rented price.

24 Alternatively, landlords might opt not to hire
25 agents on an exclusive basis. This means tenants

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 64

2 would have to pay the brokerage fee, and listings
3 would not appear on platforms like StreetEasy, which
4 require exclusive listings.

5 In Manhattan, rental listings will not syndicate
6 to Zillow unless they are first listed on StreetEasy.
7 Consequently, available listings would become harder
8 to find for renters. As agents and brokers, we cover
9 the cost of professional photography, floor plan, and
10 3d video tours, which can easily range from--

11 [BELL RINGS]

12 CHAIRPERSON MENIN: Okay, I'm going to ask you to
13 wrap up please?

14 MR. PHILLIPS: Okay.

15 CHAIRPERSON MENIN: And you can submit-- Let me
16 just be clear with every member of the public: We
17 take the written testimony. So, please, if you don't
18 get to finish your prepared statement. We take all
19 of that written testimony.

20 MR. PHILLIPS: Right. I'll just finish this
21 paragraph. All right?

22 CHAIRPERSON MENIN: Yeah. If we could please--
23 We've got over 400 speakers. We've got to make sure
24 that everyone is given the same amount of time.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 65

2 Okay? Please. One more sentence, please, and then
3 we really need to wrap it up.

4 MR. PHILLIPS: Right. The FARE Act, while well
5 intended, well may have unintended, unintended
6 consequences, reducing visibility of listings and
7 ultimately harming tenants.

8 CHAIRPERSON MENIN: Thank you. Okay. And we'll
9 hear from the next speaker. Thank you.

10 MR. MONELL: Well, thanks Chair and members of
11 the committee. I'm Ryan Monell with REBNY. I'll try
12 to make up for a lost time here and say, you know,
13 you've heard a lot from-- from some of our leadership
14 in in the industry. Look, I think we want to be part
15 of the solution, right? We want to make sure that
16 we're addressing the costs that we're seeing in
17 regards to rentals across the city in a meaningful
18 way. We actually believe this bill will go in the
19 wrong direction, as you've heard from Bess and Gary
20 and Brian, which is consequential not only for, you
21 know, obviously, renters across the city, but also, I
22 think for agents who-- it's going to make it more
23 complicated for them to do the work they do every
24 day.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 66

2 By the way, you know, we have 1500 agents who
3 showed up today to make it loud and clear that this
4 is not the solution relevant to-- to the rising cost.

5 And I think, you know, we should listen to some
6 of the folks who are out there every day looking at
7 the market, looking at the data, and really want to
8 see costs go down. And we know that supply is really
9 the main driver in regards to how we can solve for
10 that. But we can't do things in the meantime that
11 are going to make it even more complicated and more
12 challenging, and actually eliminate choice in the
13 market. And we believe this bill would do just that.

14 The last thing I'll say, as Bess mentioned, is,
15 you know, most of these agents who are your
16 constituents are renters themselves, and make \$52,000
17 a year starting out.

18 And so, we're talking about eliminating the
19 livelihood for folks who really, truly want to be
20 stalwart members of their communities, do a service
21 for their neighbors, and try to make a living for
22 them and their families. And so, passing this
23 legislation will undoubtedly have a consequential
24 impact on their ability to earn, and we need to take
25 that into account when we're considering this bill as

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 67

2 well. So, I'll stop there, but I appreciate all of
3 your time today. Thank you.

4 CHAIRPERSON MENIN: Thank you very much. There
5 are a number of questions that colleagues have for
6 the panel, so let me just jump right into it.

7 No-- No, you're on the second panel, sir. I
8 believe you. Yes. I called the second panel to say--
9 - just to get ready. So-- No, no, that's okay.
10 We're going to be coming to you next, but we've got
11 an order to the panel, so we'll be coming to you
12 shortly.

13 So, I'm going to open it up to Councilmember
14 Ossé. Questions?

15 COUNCILMEMBER OSSÉ: I have no questions for this
16 panel, thank you.

17 CHAIRPERSON MENIN: Okay. Public Advocate, you
18 said you have questions?

19 PUBLIC ADVOCATE WILLIAMS: Thank you so much, and
20 thank you all for being here. First, I just want to
21 mention: Every time-- There is no part of the
22 industry that seems to want to do their part to fix
23 the crisis, and I get there are multiple reasons why
24 we're in the housing crisis, whether we're not
25 building enough, affordability, whether it's the rent

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 68

2 guidelines board. There's a whole bunch of things
3 that are going, and every time we try to fix one part
4 of it, that part of it says, "Don't fix that part of
5 it." So it's a very difficult thing to do, and I
6 think we need "all/and", and not just "or".

7 This is one place where I feel like it's a good
8 balance, because we're not taking away the ability
9 for people to make their money. And I know the
10 average is \$52k I'm interested to know if that's the
11 mean, median, or what kind of average it is. Because
12 I know that people make considerably more than \$52k.
13 As well as that there's a lot of working folks that
14 do make the \$52.

15 So I want to clarify: The 2019 rent guidelines
16 board, the rent laws were specifically to help
17 preserve the housing that we have, and keep the
18 tenants in it. And I think it was successful in
19 doing that.

20 I had a question about other markets in other
21 cities. It seems to me that we are only one of two
22 major cities that do this. So, are you saying that
23 the real estate industry is not successful in other
24 cities because they have to pay who gets-- who hires
25 them?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 69

2 MR. MONELL: I mean, I would simply say that the
3 size, scale, and intensity of New York City, co-ops,
4 condos, and rental apartments, it's a completely
5 different market than anywhere else in the country.

6 And once again, just like in any industry,
7 tenants have a choice. There's either a full-service
8 or no service, and when 50% of the market is already
9 no fee, which means tenants have a choice to either
10 represent themselves or hire a broker to make their
11 lives easier, it's simply a free market that works,
12 and this legislation will do nothing at all to reduce
13 the cost that tenants face.

14 PUBLIC ADVOCATE WILLIAMS: Does that mean that
15 the other cities that have this law, there is a
16 thriving realtor market?

17 MR. MONELL: I can't speak to other cities. All
18 I could say is this city's size, scale and density
19 cannot be compared to any other city that I'm aware
20 of with the complexity of the marketplace.

21 PUBLIC ADVOCATE WILLIAMS: Yeah, we also have the
22 highest rents in, probably, the world and one of the
23 lowest vacancy rates that we've ever had.

24 MR. MONELL: Because we don't build apartments
25 anymore, because politicians don't understand that

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 70

2 developers take risks to build apartments that you
3 don't want to incentivize them to do so.

4 [APPLAUSE]

5 CHAIRPERSON MENIN: Okay. [GAVEL] We need to
6 maintain--

7 SERGEANT AT ARMS: Quiet down. Quiet down.

8 CHAIRPERSON MENIN: We have to maintain order in
9 here. I'm going to be very clear--

10 [BACKGROUND VOICES]

11 You can-- As I said, if you agree, please feel
12 free to do this, [MAKES JAZZ HANDS GESTURE] but we
13 cannot have-- we've got to maintain decorum in here.
14 Thank you so much.

15 [BACKGROUND VOICES]

16 PUBLIC ADVOCATE WILLIAMS: I will assure you,
17 sir, having paid brokers fees, and having had tenants
18 myself, and organizing around housing for about 20-
19 something years, I know much more than you about why
20 this housing market is the way it is, and why we're
21 not building housing.

22 And so the profitability of housing is the major
23 reason that we're having a housing crisis right now.
24 So, we're trying to figure out how to manage that.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 71

2 And frankly, I support building up, depending
3 what we're building. So, to pretend that you have
4 more knowledge than those of us on here about the
5 housing market is not--

6 MR. MONELL: I mean, I respect--

7 PUBLIC ADVOCATE WILLIAMS: I'm not finished, is
8 not really a real thing.

9 What we're trying to figure out here is how we
10 can make sure the entry point into housing is
11 balanced. And so that's why I'm asking about other
12 markets, because what seems to happen is we're having
13 discussion in a vacuum. And so if the City hasn't
14 shown up, we're now just talking to ourselves, and I
15 understand that you want to keep the system the way
16 it is. Most people do, particularly if they're
17 benefiting from it.

18 And what we're trying to do is find the balance.
19 I want to make sure you get the money that you
20 deserve for the work that you're doing. But it seems
21 to me if someone else is hiring, which is the case in
22 every other industry, the person who hires a person
23 is the person that pays for it. And that's why I'm
24 asking the questions, so we can have information
25 about other cities.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 72

2 MR. MONELL: Sir, just one thing. I've been in
3 the industry for 26 years. I've overseen hundreds of
4 thousands of lease transactions, so I think I have a
5 little bit of experience in this business. That's
6 just number one.

7 Number two, you talk about giving choice and you
8 talk about saving tenants money. The simple fact is,
9 look at the 2019 rent laws. If you have bad credit
10 or no credit, you have to pay insurance to get an
11 apartment now that you did not have to do before.
12 You've taken choice away from tenants. If you have a
13 pet, which many New York City residents do, you now
14 have to pay extra rent each and every month for that
15 pet because you've decided to take away choice from
16 tenants.

17 Other markets are not relevant. What's relevant
18 is this market, and the fact is there's no building
19 going on. It's a law of supply and demand, and if
20 you fix that, you will fix pricing. Until then, this
21 is just an attack on the brokerage community that's
22 unwarranted.

23 PUBLIC ADVOCATE WILLIAMS: : Thank you.

24 [BACKGROND NOISE] I am finished.

25 SERGEANT AT ARMS: Quiet please.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 73

2 PUBLIC ADVOCATE WILLIAMS: I will say, you spent
3 26 years trying to figure out how to make money off
4 of broker's fees. I spent over 20 years trying to
5 figure out how to fix the housing crisis. It's a
6 different system. It's a different study than what
7 we're trying to figure out. So I'm glad that you
8 made your money that way. I'm trying to figure out
9 how we can fix the housing crisis. And what I'm
10 telling you is I don't mind brokers making the money.
11 I'm trying to figure out how best to do that, and how
12 we can fix the crisis that we're in, because people
13 like you want to make as much money as possible. And
14 we're just trying to figure out how I can-- I hear
15 you, but-- I'm listening to his testimony. But I am
16 actually trying to figure out how people can make
17 money, whether they're wealthy brokers or they're
18 making \$50,000. I'm not trying to take away people's
19 ability to make money. All we're trying to do is
20 figure out how we can lessen the burden of tenants
21 who are trying to enter into a housing market. That
22 is a crisis because of a lot of things that have
23 happened. The system is not working and has been not
24 working for a very long time, not because of 2019
25 laws. Thank you.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 74

2 MS. FRIEDMAN: But with-- with all due respect.
3 Since this Council and Councilmember Ossé is
4 proposing this bill, this law, shouldn't you have
5 this-- this substance to support why this makes sense
6 financially? Don't-- Shouldn't you have those data
7 points to argue those today, if you think this makes
8 sense? Where-- Where's the information to support
9 it?

10 PUBLIC ADVOCATE WILLIAMS: So what-- We do have
11 some. The city's not here. You should be mad at the
12 Mayor and his administration for not being here. But
13 what we do know is the way that this thing works is
14 very prohibitive. When I had to pay \$12,000 to get
15 into an apartment: Praise God that I have the
16 ability to do so. Most people do not. And so it is
17 prohibitive in the market to pay this extra fee,
18 which is ranging between 8% and 15%. That's just a
19 real thing. So, we're just trying to figure out how
20 to balance who pays it, not to take the money out of
21 anybody's pocket.

22 MS. FRIEDMAN: No, but sir, with all due respect,
23 as quoted here, you can look online right now, 50--
24 almost 50% of--

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 75

2 PUBLIC ADVOCATE WILLIAMS: I think I've taken a
3 lot of time.

4 MS. FRIEDMAN: --units are no fee apartments.
5 You don't-- Nobody's forced to-- This is all
6 negotiable.

7 PUBLIC ADVOCATE WILLIAMS: That's just not-- So-
8 - So one: Usually after "all due respect", no
9 respect follows. But I appreciate what you're
10 saying. But that is not how it happens in reality.
11 And so I have-- When I was renting, I found no fee
12 apartments. I've also been-- apartments brought to
13 me that I didn't even know existed, that were better
14 than apartments that I saw. And so that's a false
15 choice, to be able to say that. Sometimes there's a
16 choice on paper, but that's not how it works out in
17 the reality of people finding apartments.

18 MR. MONELL: All I would like to say, if you
19 actually cared about legislation that was impactful
20 and effective, you would actually engage the
21 brokerage community in the conversations versus
22 dictating to it. Never once do you engage with the
23 brokerage community or seek our opinions.

24 PUBLIC ADVOCATE WILLIAMS: That's what's
25 happening now, by the way. There's a huge

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 76

2 engagement. You're right here, engaging with the
3 council.

4 MR. MONELL: That's today. But not about before.

5 PUBLIC ADVOCATE WILLIAMS: Yeah, the bill hasn't
6 passed. This is how bills get passed.

7 MR. MONELL: Well, you should speak to the
8 community in advance.

9 COUNCILMEMBER OSSÉ: Can I respond? Brokers have
10 actually worked on this bill. They'll be testifying
11 right after this panel. So you'll-- you'll hear from
12 them in this room. So, thank you. We've engaged the
13 broker community.

14 MR. MONELL: I disagree.

15 CHAIRPERSON MENIN: Okay. And we've got two
16 other Councilmembers who have questions,
17 Councilmember Nurse, followed by Councilmember
18 Hudson.

19 COUNCILMEMBER NURSE: Thank you, Chair. I'll try
20 to be brief. You know, I think-- I think we're all
21 saying that. No one is saying you shouldn't earn a
22 living. We're just looking at who's paying for that.
23 This is pretty simple. And I think you're conflating
24 it intentionally. But I see a lot of signs about,
25 "Don't raise the rent." And yet, I don't think I've

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 77

2 seen any of the brokers here-- and you know, feel
3 free to raise your hand if you're wrong. In any
4 housing movement actions, I've not seen you here at
5 any-- when we're discussing any housing legislation
6 that's going to impact or keep people's rents low.
7 Like, feel free to raise your hand if you participate
8 in the housing movement as a broker.

9 Yes, great. I'm glad that some of you do, but a
10 lot of you don't. I didn't see any of you at the RGB
11 rent guideline board meeting. Were you there? No.

12 Okay, so the fact is, we have a situation where
13 there's people that we don't meet who are supposed to
14 be doing work, and we have to pay for their labor
15 that we did not contract. That's what this bill is
16 about.

17 So, I guess I'm curious, for the record: Is
18 there any requirement that a broker shows up to a
19 viewing that they've scheduled?

20 MR. MONELL: Yeah. My brokers will show up at
21 every appointment.

22 COUNCILMEMBER NURSE: Your brokers, but is there
23 a requirement by law?

24 MR. MONELL: I can't tell you that's a
25 requirement by law. I can tell you what our company

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 78

2 does and what our agents do, and you guys continually
3 demean the service of what brokers do.

4 COUNCILMEMBER NURSE: Yours might be unique, but
5 not all are.

6 MR. MONELL: You look at exceptions about worst
7 case scenarios versus looking at the vast majority of
8 brokers.

9 COUNCILMEMBER NURSE: The worst case scenario is
10 generally what the rule is. That's why we're in a
11 housing crisis.

12 MR. MONELL: I disagree with you. I disagree
13 with you. We're in a housing crisis because there is
14 no building.

15 COUNCILMEMBER NURSE: The worst case scenario is
16 generally the most common experience.

17 MR. MONELL: That's not true.

18 COUNCILMEMBER NURSE: I have seen ads on the
19 internet that don't say there's a broker fee, and
20 then when you show up there is suddenly a broker fee.
21 Suddenly the broker fee can move. There are bad
22 actors here, which is why we are in this situation.

23 If you want to be solutions-oriented here, that
24 is welcome. But then you have to acknowledge the
25 fact that if I don't pay for your service, I

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 79

2 shouldn't-- If I'm not contracting you, I should not
3 have to pay for your service. It is a very simple
4 concept.

5 MR. MONELL: The very simple concept is every
6 person signs a brokerage agreement in advance of
7 seeing that apartment, which clearly sets forth what
8 the broker fee is.

9 COUNCILMEMBER NURSE: That's not how it always
10 goes down.

11 MR. MONELL: Once again, you're looking at the
12 excep--

13 COUNCILMEMBER NURSE: Perhaps for you, and
14 congratulations for having a great firm, but that
15 does not happen for everyone.

16 MR. MONELL: I was talking, and you interrupted
17 me. I didn't interrupt you. Well, that's your
18 experience in a limited situation. I'm telling you
19 what the law provides. You must sign a brokerage fee
20 agreement clearly detailing what the costs are. You
21 must sign disclosure agreements, fair housing
22 agreements. There is tremendous amounts of
23 legislation that currently exists, but everyone
24 chooses to take the one-off situation and conflate
25 it.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 80

2 COUNCILMEMBER NURSE: It's not a one-off
3 situation if there are hundreds of people here.

4 MR. MONELL: It's not the-- It's not the rule.

5 COUNCILMEMBER NURSE: It's not a one-off
6 situation if we're at this point of needing
7 regulation.

8 MR. MONELL: We need regulation because we need
9 housing.

10 COUNCILMEMBER NURSE: Yes. I'll move on. Thank
11 you.

12 CHAIRPERSON MENIN: Councilmember Hudson followed
13 by Councilmember powers.

14 COUNCILMEMBER HUDSON: Thank you, Chair. I
15 wanted to follow up. The Public Advocate asked a
16 question that I had as well, but I didn't hear an
17 answer. You mentioned in testimony that starting
18 income is \$52,000 a year for a broker. Is that an
19 average salary or the median?

20 MS. FRIEDMAN: It's not a salary. Agents are
21 1099s. It's an average income-- I mean--

22 COUNCILMEMBER HUDSON: So it's the--

23 MS. FRIEDMAN: the starting. It's the starting.

24 COUNCILMEMBER HUDSON: It's the average starting.

25 MS. FRIEDMAN: Yes.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 81

2 COUNCILMEMBER HUDSON: Okay, and so what
3 percentage of annual income for brokers comes from
4 broker fees for rentals?

5 MS. FRIEDMAN: I don't have that statistic.

6 COUNCILMEMBER HUDSON: Ryan or anybody?

7 MR. MONELL: We can try to get that for you. I
8 think it varies. It probably fluctuates between
9 agent to agent, quite honestly. So, it's a really
10 difficult number to get, but we can get it. We can
11 try to find some data that reflects that.

12 COUNCILMEMBER HUDSON: Okay. I think-- I think
13 an average would be helpful for us to understand, you
14 know, is it on average, 1 percent of an annual
15 income, 90 percent?

16 MR. MONELL: In terms of the fee?

17 COUNCILMEMBER HUDSON: Yeah.

18 MR. MONELL: So I would say fees are probably
19 larger than 1% of their annual income, because when
20 you're talking about a-- an independent contractor
21 who's predominantly earning off of commissions, which
22 is a fee, then it's going to be a large-- a larger
23 percent than 1% but, well, we can get you more
24 information relevant to how most agents earn-- earn,
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 82
2 and number one, what their salaries are over time in
3 their career, on average.

4 COUNCILMEMBER HUDSON: Yeah. I think it would be
5 helpful to know what percentage of the annual salary,
6 on average, that the brokers fees make up.

7 MR. MONELL: Yeah. I think, though, just like,
8 you know, speaking more anecdotally, and we will get
9 you this data-- you know, look, the reason that we
10 have 1500 people here today from the brokerage
11 community is the fact that this is actually going to
12 have an impact, not only on their clients, who are
13 renters, but also on their ability to earn, right?
14 And so, we want to make sure that we're looking at
15 legislation cohesively and in a way that makes-- that
16 reflects that impact as well, which is significant.

17 COUNCILMEMBER HUDSON: Yeah. I think just to
18 reiterate what my colleagues have said: Nobody here
19 is saying that brokers shouldn't make a broker's fee.
20 What we're simply saying is that if you hire the
21 broker, whoever that is, whether it's the landlord or
22 the tenant, if you hire the broker then you should
23 pay for the broker's fee. If you don't hire the
24 broker, you shouldn't pay for the broker's fee.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 83

2 If I-- if I hire a plumber to come in and do
3 plumbing work, I pay for the plumber. If my neighbor
4 doesn't hire the plumber, or a tenant doesn't hire a
5 plumber, I'm not asking them to pay for the plumber's
6 work. I'm paying for the plumber's work because I
7 asked the plumber to come in and do the work. I
8 think it's-- it's basic-- I'm not going to go back
9 and forth because--

10 MR. MONELL: Sure. Understood. We can talk
11 further about it. Understood. But I do think--

12 COUNCILMEMBER HUDSON: --we are on a time
13 schedule here and I want to get back to other topics.
14 But I think having the average of-- of what the
15 broker fee makes up in an annual salary would be
16 helpful, and I'll leave it there.

17 MR. MONELL: Yup. Okay. I will just say very
18 quickly-- I mean, it is certainly more nuanced, and
19 I understand the basic premise in regards to it-- it
20 seems fair to only pay what you're-- you're hiring
21 someone to do. But the reality is, if this bill were
22 to pass into-- into law, the fee is still going to be
23 passed on to the renter. And the challenge is:
24 Right now, despite what we have with the concerns in
25 regards to supply, you do have a choice. You can

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 84

2 either pay a fee up front, or you can pay the fee as
3 part of your rent over time.

4 And the reality is, you're eliminating that
5 choice if this bill were to pass, making the
6 assumption that folks don't want to have that ability
7 to make the economic decision for themselves. So,
8 it's a little bit more convoluted relevance than just
9 saying, "Whoever hires a broker should pay the
10 broker," and we're happy to discuss that more offline
11 and I understand there's a lot of people who need to,
12 need to testify, but I do want to make sure that
13 premise is understood.

14 COUNCILMEMBER HUDSON: Yeah. And I think, as
15 Councilmember Ossé mentioned, you will hear from your
16 fellow brokers who are in support of the bill and who
17 have a different opinion to provide.

18 Thank you, Chair.

19 CHAIRPERSON MENIN: Thank you very much. Now,
20 Councilmember Powers.

21 COUNCILMEMBER POWERS: Thank you. You sort of
22 got to it at the end. But the central premise of
23 this entire hearing is: Why are tenants asked to pay
24 in instances when they have not hired the broker to
25 show them the apartment?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 85

2 MR. MONELL: I think--

3 COUNCILMEMBER POWERS: And that's the premise of
4 the hearing. And that central question is the one
5 that we should be talking about throughout all this.
6 Because I am happy all day to talk about how the
7 Council and others need to do more on the housing
8 front, and we need to find a balance between
9 regulatory schemes, and adding supply, and all the
10 stuff. But the central premise here today is: If a
11 tenant is looking for an apartment, and you guys are
12 saying 50% of the-- 50% of the rent-- I think that
13 number is extremely high. I think it works against
14 you. 50% of half the units in, certainly my district
15 in Manhattan, midtown Manhattan and the Upper East
16 Side, but the housing stock of New York City, we're
17 saying 50% have an extra fee on them. In some cases,
18 the Borough President mentioned \$7,500. That's a lot
19 of money at once.

20 The central question is: Is that. And I
21 appreciate Ryan's nuance and the premise of it.
22 There are other factors that go into it. Where will
23 that fee end up? Will they still engage brokers, the
24 landlords, if they-- if we switch over the burden?
25 But I think that's the question, and I would love to

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 86
2 hear a clear answer about if a landlord brings a
3 person into the-- into the-- And we know why, right?
4 They don't have to-- It's no overhead for them to
5 bring that person into the equation, and it solves a
6 problem for them. But if they have made the decision
7 to bring somebody into a transaction, why is the
8 other party, in this case, required to pay for that
9 service that they have not brought into that
10 equation?

11 And that's like the only question I think we
12 really need to be asking today.

13 MR. MALLON: I mentioned earlier, as a small
14 landlord, that I am facing increased insurance,
15 property taxes, and maintenance costs, and I pass on
16 those costs to the tenants, and many of my landlord
17 clients do the same thing. I don't have the-- And
18 I'm already coming out of money out-of-pocket to make
19 mortgage payments on my investment properties.

20 I don't have it. Landlords don't have it.
21 They're going to charge the tenant. They're going to
22 amortize it over 12 months, and the tenant's going to
23 pay that increase. And as mentioned earlier, on the
24 lease renewal, the tenant is going to pay more
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 87

2 because that lease renewals based on the last rented
3 price.

4 COUNCILMEMBER POWERS: I understand about
5 mortgage, insurance. Those are like required fees
6 that you have to pay. I don't think a tenant is
7 necessarily going to not believe that wouldn't
8 somehow end up in the cost of doing rent. The hiring
9 the broker is an optional fee that the land--
10 Obviously, we're saying 50% don't do it. So, there's
11 50% who have decided out of that. So, when you make--
12 - when you as a landlord, make that decision, that's
13 making a decision that now has to be passed on to the
14 tenant. It's not something that I think a tenant
15 would reasonably believe. Because we know that,
16 because we hear from tenants about this all the time,
17 that they would suddenly have to pay this fee all at
18 once by the way. I actually do think that a lot of
19 tenants would prefer to pay that over the course of a
20 few months than have to pay it all at once. It's a
21 lot of money to pay all at once for a lot of folks
22 and who can't afford it.

23 But I think, still, it's an option, and the
24 landlord's exercising that option, but then turning
25 to the tenant to pay for it. And I think why we are

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 88

2 discussing the loss of fees, I mean the loss of
3 income is because there's a fear here that it's going
4 to switch. So, the idea that it's all going to get
5 baked in-- that they just going to stop using that
6 service, and I just recognize that challenge. But
7 the idea that it's all going to get baked into the
8 rent undercuts that then.

9 But I guess I just want to go back to that
10 question: Why, if I'm a tenant, and to the
11 gentleman-- I'm sorry I don't remember your name-- in
12 the middle: There is a-- There is a frequency, at
13 least in my district, where tenants show up. They've
14 never met the individual who's standing there to open
15 the door. There are missed appointments, and you get
16 nothing for that missed appointment. There are-- The
17 challenge, you walk in, there's 15 other people
18 waiting there to see that apartment too. It's like
19 Hunger Games for an apartment. That certainly speaks
20 to the supply need. No doubt about it.

21 But then when I get there, I'm in a race.
22 Whether-- Is there negotiating power? Little.
23 Because there's 15 other people standing there who
24 will pay more than I will pay, or I what I will pay.

25 [BACKGROUND VOICE]

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 89

2 So, I don't know what he said.

3 But-- So I guess-- I guess we're just back to
4 the same old question: I walk into an apartment.
5 There's 10 people standing there. They all want that
6 apartment. It's like first-come-first-serve. Who's
7 going to sign that paper and get that apartment, or
8 pay the fee just as they do the credit check, and see
9 the apartment.

10 And now I have to be told that in order to get
11 that apartment, I have to pay because the person that
12 I didn't employ, I didn't hire, I didn't bring into
13 interaction. That's the-- That's the cost of entry.

14 MR. MONELL: Well is that-- Is that a no fee
15 rent--

16 COUNCILMEMBER POWERS: So-- Well, why? I want
17 to know the question why--

18 MR. MONELL: I'll explain to you why. I'll
19 explain to you why.

20 COUNCILMEMBER POWERS: And the last thing I'll
21 say is other cities do have relevance here, because
22 we are looking at other cities. I'm doing a
23 scaffolding hearing in a few weeks. We're looking at
24 every other city to look at Local Law 11 reform to
25 see how we can do scaffolding, because other cities

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 90

2 aren't doing it the way we are. There's a lot to
3 learn out there.

4 Our market's complex, but there's a lot to learn
5 out there. So, I guess that's the question that I
6 think we all talk about and answer today. And I'd
7 like to hear from everybody is why is a tenant
8 required to pay in a transaction?

9 MR. MONELL: I'll explain it to you. There's
10 something called dual agency, okay? And if I'm
11 engaged by an owner, that's one side of a
12 transaction. You as a tenant found the ad that I put
13 online. I spent money advertising and marketing it
14 to bring you in. I'm negotiating on your behalf.
15 I'm working with you to submit the application. I'm
16 working on both sides of the transaction.

17 COUNCILMEMBER POWERS: And who's-- And who's
18 paying the fee then? Is it both sides paying?

19 MR. MONELL: It depends. There are certain
20 instances where the owner pays, and there's other
21 insurances where the tenant pays.

22 COUNCILMEMBER POWERS: Sure.

23 MR. MONELL: So, it's not-- You guys make
24 everything as a black and white situation. Our
25 argument is in the middle.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 91

2 COUNCILMEMBER POWERS: No, in fact-- No-- I'll
3 tell you what. In fact-- In fact--

4 MR. MONELL: I was trying to-- You asked for an
5 answer, but you're not listening.

6 COUNCILMEMBER POWERS: No, no. I'll tell you
7 what's true. Last term, I introduced the bill, and I
8 recognized dual agency. I said you could split the
9 fee between the tenant and the broker, and 1500
10 brokers showed up to City Hall and protested that,
11 saying that I was taking money out of their pocket,
12 okay?

13 MR. MONELL: You asked--

14 COUNCILMEMBER POWERS: You want to talk about
15 dual agency? Let's talk about dual agency. I
16 actually, in my bill reflected the reality that there
17 is a service to the tenant provided when you post it,
18 when I see it, when you show me that thing, and-- and
19 I was told by every single broker-- I think you
20 testified here too--

21 MR. MONELL: I did. And I'm testifying again.

22 COUNCILMEMBER POWERS: You did. I remember. And
23 you told me I was stealing money from you guys, and
24 putting you out of work and all the other things.

25 MR. MONELL: You are. You are.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 92

2 COUNCILMEMBER POWERS: I actually tried to do it
3 the way you're talking about.

4 MR. MONELL: No, you didn't, but that's okay.

5 COUNCILMEMBER POWERS: I did. I absolutely did.
6 I tried to reflect--

7 MR. MONELL: You tried to limit the commission
8 that agents should make. You asked the question. I
9 was giving you an answer.

10 COUNCILMEMBER POWERS: Okay, well I--

11 MR. MONELL: You're not letting me finish my
12 answer. You're interrupting.

13 COUNCILMEMBER POWERS: Okay. Go ahead. Go
14 ahead.

15 MR. MONELL: So, the simple fact is, brokers do
16 work on both sides of the transaction. There is not
17 a black-and-white answer here. It's a nuanced
18 situation, and every side benefits. The simple fact
19 of the matter is this Council wants to remove
20 negotiability from the tenant to do what is in his or
21 her best interest and dictate how an industry works.

22 None of you work in the industry, so you
23 shouldn't be legislating the industry, because you're
24 going to have unintended consequences. And the 2019
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 93

2 rent laws are the specific problem that we face now.

3 I--

4 COUNCILMEMBER POWERS: I think-- I think the
5 notion that a legislative body can't legislate a
6 field that we don't work in is an absurd notion. I
7 just want to be clear about that.

8 MR. MONELL: But mistakes happen.

9 COUNCILMEMBER POWERS: But I do want to recognize
10 we are renters and tenants. We have constituents.
11 We have people calling us with this problem, and
12 we've-- I've walked into these situations. I know
13 exactly what I'm talking about, too. I'm not saying
14 my expertise is your expertise.

15 You're there. I respect your expertise, but that
16 notion that we can't participate in regulating a
17 field that we don't personally work in is, like the
18 entire-- it's like-- it's a ridiculous notion.

19 MR. MONELL: We can agree to disagree.

20 MR. PHILLIPS: Councilmember, I'll just try to
21 answer your question very quickly. But, you know,
22 when you talk about the costs that it takes to
23 actually list a unit, show a unit, run an
24 application, do all the aspects relevant to make--
25 taking photography for an apartment to be rented, you

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 94

2 know, there's a cost accrued there, right? And, you
3 know, the reality is, an owner, by and large, is
4 going to pass that cost on one way or another, like
5 it or not, unfortunately.

6 And the reality is, I mean, if this bill were to
7 pass, obviously, two things could happen: Number
8 one, it gets baked into the rent because, you know,
9 the fee can no longer effectively be passed on in
10 certain situations. The second aspect (and this is
11 probably more likely for stabilized units in
12 particular, because obviously there's a cap in
13 regards to how high rent can go) is the owner could
14 basically say, I'm no longer going to hire an agent.
15 I'm going to give a multitude of agents the right to
16 list this unit, and then the fee could still be
17 passed on in that regard. And so the reality is this
18 is not going to do anything to actually alleviate
19 that cost.

20 Relevant to other markets, you're absolutely
21 right. I mean, obviously we should look at what
22 other-- other cities are doing. I think the
23 assumption that we are making is that other cities
24 are more affordable. That necessarily is not the
25 case, right? What we need to solve for is what will

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 95
2 actually reduce costs here in New York City. We are
3 telling you, as an industry, I think, that this is
4 not the way to do it.

5 MR. MALLON: I wanted to address your question.
6 You mentioned you walked into situations where there
7 was-- you assumed there was no fee, but there's
8 suddenly a fee. Did you respond to a no-fee ad? If
9 you responded to no fee ad...

10 COUNCILMEMBER POWERS: I think-- I think
11 Councilmember Nurse brought up that situation. I
12 didn't break up the situation. I think she talking
13 about an--

14 MR. MALLON: [TO COUNCILMEMBER NURSE
15 SPECIFICALLY] Was it a no-fee ad you responded to?
16 Did you go--

17 COUNCILMEMBER POWERS: I think-- I think the
18 point that she was making was that there are
19 situations where a tenant has seen an advertised no-
20 fee apartment, walked in, and had a fee.

21 Is there-- Well, actually, it's a good question:
22 What is the recourse for the tenant in that
23 situation?

24 MR. MALLON: Right. You go right to the listing
25 agent. If the listing-- If it's a no fee rental,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 96

2 you go right to the listing agent, the landlord's
3 agent, and there's no fee. But if you elect to have
4 your own representation, you're going to pay a fee.
5 Everyone knows that. So, if you go right to the
6 listing agent, the agent who has the listing, there's
7 no broker fee.

8 COUNCILMEMBER POWERS: No, but I guess if I saw
9 an advertisement online that said, "No fee
10 apartment"--

11 MR. MALLON: You go right to the listing agent.

12 COUNCILMEMBER POWERS: And I went to the-- I
13 showed up to the thing, and I-- the person says,
14 there it's a 10% fee.

15 MR. MALLON: Then that's not the listing agent.

16 COUNCILMEMBER POWERS: Understood. But I think
17 in this particular situation, most New Yorkers are
18 not going to know how to navigate, and that's--

19 MR. MALLON: Anyone who deals with me-- Like, if
20 I have a no-fee rental online, it's only-- most
21 people come unrepresented. They get it.

22 MS. FRIEDMAN: That's why, with the agency
23 disclosure form, it sort of identifies who's
24 representing who in the equation, or if people waive
25 the right to have representation.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 97

2 COUNCILMEMBER POWERS: But if I walk into an
3 apartment today and I-- there are, you know, three
4 other people looking at this apartment too-- five,
5 ten-- I mean, there's lines out the door sometimes.
6 I walk in and am asked to sign a form, I still didn't
7 bring you into the transaction.

8 It's like a Hunger Games moment, where I'm asked
9 at that point in time to sign it in order to get the
10 apartment I want. It's like a forced disclosure form
11 to sign, to make sure that I can now get the
12 apartment I want.

13 And in the market that we're in, you're right,
14 like we're in a tight market, I am desperate to get
15 an apartment, I want to be close to my job, my
16 family, whatever it is, or I just like this
17 apartment. I-- The competition for these apart-- at
18 least in my district-- the competition for these
19 apartments means, of course, I'm going to sign the
20 form and I'm going to pay the fee, if-- if that's
21 what gets me the apartment. Or at least I'm going to
22 sign the form, because that gets me the apartment. I
23 think that's a situation we're trying to solve for.

24 MR. PHILLIPS: Yeah, I--
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 98

2 COUNCILMEMBER POWERS: I'm not trying to-- I
3 don't want to come off as disrespectful to anybody
4 here, but I think that we-- there are situations that
5 are real, where people are fighting for these
6 apartments and asked to pay-- sign the form and pay
7 the fee.

8 MR. PHILLIPS: Yeah.

9 COUNCILMEMBER POWERS: And it's 50% of the
10 apartments in New York City. So, there's a problem.

11 MR. PHILLIPS: So, I would say-- I mean, two
12 things to that very quickly, and I know we have to
13 move on, Chair.

14 But first off, I mean, what you're describing, by
15 and large, is a creation of the 1.6 vacancy that we
16 have in the city, as you know.

17 The second aspect is, I think, you know,
18 regarding the rights that you have as a prospective
19 consumer, prospective renter, when working with an
20 agent should be more clear. And I think it's
21 something that we as a-- as an industry could get
22 behind, relevant to making sure you know your rights
23 when you're working with an agent, you know your
24 rights when you're working with going to find an
25 apartment. And there's a lot more that can be done

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 99
2 to make that more transparent. So, in regard to what
3 we can do to actually solve for some of the issues
4 you're seeing in your district, we should discuss
5 that more, because I think there's some low hanging
6 fruit relative to making the process even easier.

7 CHAIRPERSON MENIN: Okay, great. Now I'm going
8 to turn it over to Councilmember Ossé before we call
9 the next panel.

10 COUNCILMEMBER OSSÉ: Yeah, I just wanted to
11 clarify that, you know, I-- The bill does not end
12 broker fees, and I know that there was a lot of
13 communications coming from REBNY about that, which is
14 disinformation, but it says whoever hires a broker
15 must pay.

16 I personally was happy to hire a broker when I
17 was looking for an apartment. I believe that brokers
18 add a valuable service to the city. So, even if this
19 bill does pass, and it seems like, if it is a
20 valuable service like we all agree, then people will
21 still be hiring a broker, right?

22 That's how it works in every other industry, and
23 how it should work in this industry as well. And the
24 final point is, whether it's 90%, or 30%, or 50% of
25 apartments that, you know, have a no fee apartment,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 100

2 whether it's on StreetEasy or Zillow, that number
3 should be zero in terms of those who are forced to
4 pay broker fees. You know, that other percentage of
5 apartments that are available, and that's
6 unfortunately the case that we are seeing. Thank
7 you.

8 CHAIRPERSON MENIN: Okay. Thank you very much to
9 this panel. We are now going to move on. So, before
10 we get to the panel that I mentioned was going to go,
11 we-- I just want to mention we've been joined by
12 Comptroller Brad Landers, State Senator Julia
13 Salazar. So they are going to come up first.

14 [SERGEANT AT ARMS ISSUES INSTRUCTIONS TO
15 AUDIENCE.]

16 CHAIRPERSON MENIN: Hello, Comptroller Lander,
17 welcome.

18 COMPTROLLER LANDER: Good morning. Thank you so
19 much, Chair Menin, and members of the Council's
20 Committee on Consumer and Worker Protection, which I
21 used to serve on and loved, and other members of The
22 Council. Thank you for convening this important
23 hearing and providing the opportunity to testify on
24 critical legislation facing tenants across the city.
25 I strongly support Intro 360, The Fairness In

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 101
2 Apartment Rental Expenses, or FARE Act, sponsored by
3 Councilmember Ossé.

4 Intro 360 as you know, requires that whoever
5 hires a broker in a real estate transaction pays the
6 broker's fee.

7 The FARE Act is a common-sense bill that I urge
8 the Council to pass for two main reasons,
9 transparency and fairness. The FARE Act would
10 require that fair, transparent contracts are
11 negotiated between parties involved in renting
12 apartments in New York City. Over two thirds of New
13 York households are renters. Those households are
14 disproportionately low-income compared to homeowners,
15 and they deserve to know exactly how much it will
16 cost to rent a new apartment. This bill, in many
17 ways, will simply provide renters with the same fair
18 treatment and transparency that are already provided
19 to buyers in the home ownership market, making sure
20 that all fees and costs are known to the renter at
21 the outset of the transaction.

22 And it is also a common-sense element of fairness
23 that the party that chooses the broker should pay the
24 fee, where tenants hire a broker to help them find an
25 appropriate unit. Of course, they should foot the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 102

2 bill, but where landlords are the ones to identify
3 and hire, they should pay the fee for the broker
4 they've chosen.

5 And you were talking about this in the prior
6 panel, but I think it just bears underlining:

7 Landlords do bear a lot of costs, you know? They
8 need to have insurance, and they need to hire a
9 super, and they need to pay for a plumber to come fix
10 the unit. None of those things can they go and give
11 the bill to the tenant. That is what rent is.

12 Tenants pay rent for services, and when landlords
13 choose services to be provided to them, they pay.
14 When tenants choose services to be provided to them,
15 they pay. That's what this bill would do. It is
16 plain and simple.

17 Look, it won't solve all of New York City's
18 housing problems. We're in the tightest housing
19 market in generations, lowest vacancy rate, highest
20 rent burdens. I won't go into that. That's in my
21 testimony.

22 But families are leaving the city as alarming
23 rates as a result, and reducing the burden of hidden
24 brokers fees on families trying to find a new home
25 could potentially help to counter those trends. With

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 103
2 record high rents, an unexpected an often last-minute
3 request or demand for a broker's fee can be the
4 difference in a tenant's ability to afford a
5 prospective apartment. And with an increasingly
6 competitive housing market, this is an inefficiency
7 that can and must be avoided.

8 I'm very grateful for the opportunity to testify,
9 for you to have this important public hearing, and I
10 urge the Council to pass the FARE Act.

11 Thank you so much.

12 CHAIRPERSON MENIN: Thank you, Comptroller. And
13 now we will turn to State Senator Salazar.

14 SENATOR SALAZAR: Thank you, Chair Menin and
15 members of the Committee, Councilmembers, for
16 allowing me to testify today. I am Senator Julia
17 Salazar. I represent communities in parts of
18 Brooklyn and Queens in the New York State Senate.

19 I want to express my support for Councilmember
20 Ossé's bill, the FARE Act, to ensure that prospective
21 tenants in our city will no longer be forced to pay
22 broker fees in cases where the tenant did not hire
23 the broker.

24 The norm within New York's rental market of
25 landlords passing brokers or agencies on to

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 104

2 residential tenants makes an already expensive and
3 often burdensome process of securing housing in our
4 city, even more cost prohibitive for many renters.

5 This practice is not the norm in most major
6 cities in the US, as has already been mentioned.

7 However, in New York, the practice of landlords or
8 brokers demanding the tenants pay the broker's fee is
9 not new. In fact, the state legislature sought to
10 address this problem through the Housing Stability
11 And Tenant Protection Act, the HSTPA, an omnibus bill
12 that I voted for, which became law in 2019.

13 The intent of the legislation was to strictly
14 limit the fees that can be legally imposed on a
15 tenant, and to end the practice of compelling tenants
16 to pay additional fees, including brokers fees, as a
17 precondition to obtain housing.

18 Unfortunately, after parties representing the
19 real estate industry brought a lawsuit against the
20 Department of State for seeking to enforce this law,
21 a state court ruled against the Department of State's
22 guidance in 2021 making the broker fee component of
23 the HSTPA unenforceable. As a result, there is
24 currently nothing preventing a landlord from
25 demanding a tenant pay the commission or fee for an

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 105

2 agent that the tenant did not hire, and there is no
3 legal limit to how much a landlord or broker can
4 charge a tenant as a broker fee.

5 Due to this failure to restrict brokers' fees, a
6 family or a tenant who could otherwise afford the
7 upfront costs of renting an apartment often faces a
8 wildly unaffordable broker fee, costing them
9 thousands, or even in some cases, tens of thousands
10 of dollars in order to move into an apartment.

11 When the broker works for the landlord, the
12 broker should be paid by the landlord. Brokers often
13 provide a valuable role in service to property owners
14 and to prospective tenants. The purpose of this bill
15 is not to negatively impact brokers or their
16 livelihood, but simply to make it clear that the
17 party who hires the broker is responsible for paying
18 the broker, and they cannot stick another person with
19 their bill.

20 In a city where hundreds of thousands of our
21 neighbors are experiencing homelessness every day and
22 countless more New Yorkers are struggling with
23 housing insecurity, we cannot allow such an
24 exploitative practice to persist, that makes it
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 106

2 impossible for many working people to secure
3 permanent housing.

4 For the sake of my constituents and the majority
5 of New Yorkers who are renters, it is urgent that the
6 City Council pass the FARE Act and protect tenants as
7 consumers from this harmful and unjust practice.

8 Thank you.

9 CHAIRPERSON MENIN: Okay. Thank you both very
10 much.

11 COUNCILMEMBER OSSÉ: Thank you.

12 CHAIRPERSON MENIN: Okay. Thank you both very
13 much for your testimony.

14 We are now going to move on to the panel that I
15 mentioned Rob Solano, Andrea Joseph, Jeffrey Hannon,
16 Annie Abreu, Bradley Tusk on Zoom.

17 Just to expedite, I'm going to let the next panel
18 know. That doesn't mean come to the desk, but just
19 start to get ready. The panel after will be Melissa
20 Gomez, Sarah Salzberg, Hal Gowsie, and Douglas
21 Wagner, thank you.

22 MR. HANNON: Okay. Sorry about that.

23 CHAIRPERSON MENIN: Okay, no problem. Please go
24 ahead.

25 MR. HANNON: I'd like to thank--

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 107

2 COUNCILMEMBER OSSÉ: You've got to turn your mic
3 on.

4 CHAIRPERSON MENIN: Turn your mic on.

5 MR. HANNON: I turned it off. Sorry about that.
6 I'd like to thank you the committee Chairperson. I'd
7 like to thank Chi for pushing this bill, listening to
8 brokers, tweaking the bill from the earlier bill.

9 My name is Jeffrey Hannon. I'm a real estate
10 broker. I own my own brokerage. I'm a one-man shop.
11 I'm independent. I started my brokerage in early
12 2020, before COVID, after leaving Douglas Elliman.

13 I'm here today because-- Not so much that I work
14 in rentals so much anymore. I've been doing this
15 since 2012. I was one of these rental brokers who
16 gets told, "You know you're going to be the next
17 Frederick Eklund, and you're going to have your
18 million-dollar listings." And the reality is, I
19 moved here. I was working a serving job in Midtown.
20 I had \$5,000 in the bank, and I closed one deal that,
21 like, a cousin of a cousin had, and I thought I was
22 going to-- you know, this was it. I quit my serving
23 job. And then September came. I made no money. It
24 slowed down. This was back in 2012. I've always
25 hated having to collect a broker's fee from my

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 108

2 tenant. There are OPs that everyone talks about.
3 There's 50%, our Ops. You know, I don't know where
4 they get this data. StreetEasy? Because StreetEasy
5 is not reliable. We don't have an MLS in this city.
6 It's one of the only ones also that doesn't have a
7 Multiple Listing Service where brokers can look and
8 get all the listings. A private company had to
9 create this, and now it's owned by like the Zillow,
10 Trulia, Naked Apartments, whatever.

11 I take issue and nothing personal against Bess.
12 She was lovely. I met her outside. But when was the
13 last time she's represented a tenant under \$5,000
14 around this city and made--

15 [BELL RINGS]

16 I'm just going to ask you to wrap up again.
17 Everyone has two minutes. So once the two minute
18 bell, everyone needs to wrap up.

19 MR. HANNON: Basically, REBNY does not represent
20 agents. They represent corporate landlords, and
21 they're lying to their agents.

22 CHAIRPERSON MENIN: Okay. Time is up. Next
23 speaker. Thank you.

24 MR. SOLANO: Good morning. My name is Rob
25 Solano. I am the co-founder and Executive Director

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 109
2 of Churches United for Fair Housing. We have over
3 25,000 members to our 40-plus church partners
4 providing affordable housing service in Brooklyn,
5 Queens, and recently in the Bronx. I am here today
6 on behalf of hundreds of thousands of tenants we
7 represent throughout New York City to support the
8 FARE Act.

9 The FARE Act is simple and clear, making it one
10 of the easiest bills we have ever had to explain to
11 our members and faith leaders. If you hire someone,
12 you pay for their services. This bill doesn't stop
13 brokers from getting paid. It just ensures that the
14 cost is covered by the party who hired them.

15 Right now, landlords can force tenants to pay for
16 brokers they didn't choose or vet, and cannot hold
17 them accountable. We have heard many, many, many
18 hundreds of stories of tenants who would charge a
19 month's rent just to receive a lockbox code from the
20 broker. Moving is already expensive with moving
21 related fees, first month's rent, and a deposit. It
22 can take months to get your deposit back from your
23 current apartment, making saving up to moving nearly
24 impossible.
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 110

2 Adding a broker fee on top of that creates a huge
3 barrier, especially for low-income tenants that are
4 using CityFHEPS vouchers, Section 8 or HASA. I would
5 love to see brokers who raise their hand that work
6 with those tenants. On HRA, only pay half their
7 usual broker fees. We've only seen landlords use
8 broker fees to exploit tenants. For example, right
9 now, there's a listing in the Bronx for an
10 affordable, rent stabilized apartment, and it comes
11 with a broker fee, a \$10,000 broker fee to the
12 tenant.

13 I urge you to support the FARE Act. Your backing
14 will help create a fair housing system in New York
15 City. Thank you.

16 CHAIRPERSON MENIN: Thank you. Next speaker.

17 MS. JOSEPH: Is this on?

18 CHAIRPERSON MENIN: If the red light is on, it's
19 on.

20 MS. JOSEPH: Okay. Thank you.

21 Good morning, Councilmembers. My name is Andrea
22 Joseph. I am a postdoctoral researcher at Mount
23 Sinai and the president of United Auto Workers Local
24 4100. Today, I have the pleasure of speaking not
25 only on behalf of my members in 4100, but all our New

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 111
2 York City members in Region 9A. We represent workers
3 in nonprofits, arts museums, higher education, movie
4 theaters, car dealerships, sciences, and more. The
5 vast majority of our membership are renters.

6 We have a housing and affordability crisis in our
7 city. Our members work hard. We fight at the
8 bargaining table for everything we get. I know this
9 firsthand because my shop at Mount Sinai went on
10 strike for our first contract last winter. In our
11 strike, we won nation leading wages for postdocs. We
12 are proud of that, but I am equally proud that we
13 stayed on strike to win housing guarantees for our
14 members.

15 The reason we did this is because we are a
16 majority immigrant workforce. We knew that if we
17 didn't fight for it at the bargaining table, our
18 members would be subject to the open market, and they
19 would be vulnerable to exploitation by broker fees.

20 In our strike, we were also fighting for
21 childcare and to keep women in the workforce. I've
22 heard from members across our region that they are
23 deciding to move out of the city or leave a job they
24 love because they cannot afford an apartment with
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 112
2 space for their families and the broker fee that goes
3 along with that.

4 One example I heard of this was from a leader in
5 our union with an 18-month-old daughter who wanted to
6 move within his rent-stabilized building to a newly
7 vacant larger apartment one floor down. When he
8 asked about moving into the other apartment, the
9 landlord tried to charge him a broker fee by
10 connecting him with his preferred broker instead of
11 letting him transfer. This was someone already
12 paying a monthly rent to this exact landlord. That
13 worker is now moving out of the building, moving
14 further from his daughter's school, friends, and
15 family because they needed more space.

16 [BELL RINGS]

17 At the bargaining table, UAW fights for workers
18 to get our fair share, but we also stand for the
19 entire working class, because not everyone is in the
20 union. We fundamentally support Councilmember
21 Ossé's--

22 CHAIRPERSON MENIN: Okay, I'm going to ask you to
23 wrap it up, please. Thank you.

24 MS. JOSEPH: That's it.

25 CHAIRPERSON MENIN: Great.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 113

2 MS. ABREU: Is it on? Okay? Hello. My name is
3 Annie Abreu. I'm from Sunset Park in Brooklyn. I
4 just graduated law school, so I'm actually taking a
5 break from studying for the bar to come testify and
6 convince everybody that doesn't need to be convinced.
7 Me and my mother are low income, so I faced housing
8 insecurity basically most of my life, but it's been
9 worse within the last 11 years, especially as the
10 housing crisis has worsened.

11 For the past three years, we have lived in a very
12 insecure living situation where the threat of
13 eviction basically hangs over our head every single
14 day. And among other things, we can't really do
15 anything, because it's not a situation where the law
16 really protects us. But my need for housing has
17 increased. We desperately would like to move, and as
18 I step into my new employment as a housing attorney,
19 in September adequate housing is going to be
20 essential for that transition.

21 We've had two main obstacles when it comes to
22 being able to move freely within our neighborhood.
23 The first is income requirements. Because we are low
24 income, we don't really make the 40-times-the-rent
25 requirement that a lot of landlords set.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 114

2 However, even as I'm about to enter into a new
3 income bracket and finally meet that income
4 requirement, I'm faced with another obstacle, which
5 is the broker's fee.

6 It would be impossible for us to leave our
7 current insecure living situation and find an
8 apartment in my neighborhood as soon as I start
9 working, because having to pay three fees in one go
10 is basically impossible. That means that me and my
11 mother would have to save money for at least six to
12 eight months before we even have enough money to just
13 pay the landlord. So, that doesn't even cover moving
14 expenses. It's literally just money going to a
15 single person, and they're going to use a portion of
16 that to pay the person they hired, not that I hired.

17 I'm fine paying one month's rent and security
18 deposit. But given that our current expenses won't
19 just disappear to give me and my mother the ability
20 to save all of that money, it is much more feasible
21 for us to save \$4,600 for a two bedroom that's going
22 for like \$2,300 in my neighborhood, than it would be
23 for us to save \$6,900.

24 While me and my mother would love to save every
25 paycheck that comes our way, it's impossible. Living

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 115
2 in New York City basically means that you pay to
3 breathe at this point. I do not think that there's
4 any reason for me to pay one month's rent or more to
5 a person the landlord hired to post something on
6 StreetEasy, or Zillow, or God-knows-where, riddled
7 with typos and lies only for me to get the apartment
8 on my own and not get any response and not get any
9 responses to my basic questions.

10 CHAIRPERSON MENIN: Thank you. And we have one
11 more speaker on this panel. We have Bradley Tusk on
12 Zoom.

13 MR. TUSK: Thank you so much. Since you guys
14 have a lot of people we testify, I'm going to be
15 really brief and skip my prepared remarks. I just
16 want to make the case that from an economic
17 standpoint, this bill is excellent for New York City.
18 Everyone here has approached it from more of an
19 affordability standpoint. That makes a lot of sense.
20 But one of the things that makes New York New York,
21 is that the best and the brightest people from all
22 over the world, every continent, every part of the
23 globe, want to come here, and they come here, and
24 they do great things. They start businesses. They
25 start organizations, they create great ideas. They

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 116

2 create great art. And that's what allows so much
3 more opportunity to happen for so many other New
4 Yorkers. But we are preventing their ability to do
5 that, and to move here by charging that, the sort of
6 artificial barrier, this totally unnecessary fee.

7 And so unless we want a city where all we have
8 are people can afford the broker's fee, like the
9 consultants, and investment bankers, and things like
10 that, and who would want a city like that? It's
11 totally boring.

12 You know, we're losing a lot of talent to Austin,
13 to Nashville, to Miami, to so many other places, that
14 we don't have to. So from a long-term perspective,
15 from the city creating jobs, creating wealth,
16 creating more taxpayers, the best thing we can do is
17 pass the FARE Act. Thank you.

18 CHAIRPERSON MENIN: Thank you. So, I think
19 Councilmember Ossé has questions for this panel.

20 COUNCILMEMBER OSSÉ: Uh, I have a question for
21 everyone on this panel, but I'll start with Mr.
22 Hannon. As a broker, why do you support the FARE
23 Act, and is it important that the FARE Act passes?

24 MR. HANNON: I'm not a very good public speaker.
25 I'm sorry. I support the FARE Act, because if my co-

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 117
2 op clients, my condo owner clients, can afford to pay
3 a one-month fee than a landlord that has 700
4 buildings, these huge corporate landlords, can pay
5 the fee. In fact, they already do. All of us here,
6 we always have to explain to our clients, "Oh, the
7 no-fee versus the fee, the no-fee apartment it's
8 built in, they offer two months free." Net effective
9 is the new thing. They rent those at lower-- It's
10 just so-- There's no transparency, and the \$50,000--
11 It's just like, people are on food stamps or on
12 Medicaid, and like, I'd love to know how many of them
13 are in that level, like the working class, the
14 immigrants, the ones just starting off.

15 I'm in favor of it because I have nothing to
16 lose. I don't care. I don't need to work in this
17 business anymore. But I will fight for those who are
18 younger than me.

19 [BACKGROUND VOICES]

20 [GAVEL]

21 COUNCILMEMBER OSSÉ: Thank you. I have a
22 question for Rob Solano. From your organizing work
23 across the city, how many New Yorkers hire brokers?

24 MR. SOLANO: We've been doing this since 2009.
25 One of our workshops had over 2000 New Yorkers come

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 118
2 to apply for housing. And I would say-- I would say,
3 none wanted to hire a broker to pay a fee for them,
4 for ultimately something that they can find on
5 Zillow, or StreetEasy, or word of mouth to folks.
6 And most of them-- and this was going back from their
7 own experience-- the broker would pay the fee if they
8 were buying the apartment, or if they were buying a
9 condo. They're mental already is established that
10 broker fees are paid by the landlord.

11 And I just wanted to make-- about broker fees:
12 HPD already does follow the FARE Act in their
13 marketing guideline on page 67, Attachment S1. They
14 have embedded the FARE Act where the broker fee is
15 done by the developer. And I have a lot of respect
16 for the HPD rep, uh, that came. They could have gave
17 you the data, since they've been building housing
18 since 1975 at HPD. They could have came to told you
19 what the broker fees are, and they would have told
20 you that they do it through the FARE Act. They put
21 it on the developer, and why the market in HPD has
22 been incredibly successful for over four decades.
23 HPD has been working with the FARE Act and been
24 implementing the broker fee to the developer in all
25 of their projects, not just the Mitchell Lama throw

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 119
2 that he gave you. It's been embedded in their
3 marketing system for four decades.

4 COUNCILMEMBER OSSÉ: And the previous panel of
5 brokers stated that the current system is
6 transparent. They were implying that prospective
7 tenants are going into these deals with the full
8 knowledge that they need to pay the broker fee. Do
9 you feel that the bargaining and negotiating process
10 for tenants is fair under the current system?

11 MR. SOLANO: Absolutely not, because we also work
12 with the developers that do some-- take on the
13 brokers, and they sometimes put it on the tenants on
14 our affordable housing marketing team. And I would
15 say to-- the marketing team is relatively brokers.
16 You can just call their marketing team a marketing
17 agent. I would say no one has any idea of what's
18 happening as a tenant in the experience. They get
19 their first month, they get their last month, they
20 get their security. They try to get this thing
21 going. Then they get reminded they don't have to pay
22 last month anymore.

23 Very, very common, the broker fee is a gotcha at
24 the end that is reminded and hustled by the broker.
25 I do want to establish why I think there's a lot of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 120

2 energy-- why the why the brokers want to go one on
3 one with tenants and not landlords. Landlords have
4 lawyers, landlords have staff, landlords have
5 resources and other real estate apartments to hustle
6 with that broker.

7 So, it's much easier for a broker to go one-on-
8 one with a single mom. It's much easier for a broker
9 to go one on one with someone that doesn't have a lot
10 of resources and won't sue them. And also a broker
11 can then ruin their credit if that specific tenant,
12 for some reason, they didn't feel like the services
13 was done well, and decided not to pay the broker fee,
14 that broker could turn around, write a report, and
15 give that person a bad credit.

16 So, there is a lot of strategy, why big broker
17 firms here today would rather handle everyday New
18 Yorkers, and why I'm appreciative of the government
19 here today taking a step forward to support the
20 tenants and everyday New Yorkers. Let them deal with
21 the landlords as they usually do.

22 CHAIRPERSON MENIN: Thank you for that. And I
23 have a question for Ms. Joseph from the United Auto
24 Workers--

25 [BACKGROUND VOICES]

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 121

2 COUNCILMEMBER OSSÉ: [TO CHAIR, GESTURING:] She
3 was yelling liar. The woman in the blue over there.

4 [GAVEL]

5 CHAIRPERSON MENIN: Let me be clear: Whether
6 you're for this, against it, the rules are very
7 clear. We will call you out of order, and the
8 Sergeant Of Arms will remove anyone who is
9 disruptive. Okay? I just want to make sure everyone
10 understands the rules that we follow here in the
11 Council. So if people will continue to be
12 disruptive, they will be removed.

13 COUNCILMEMBER OSSÉ: I do have a question for
14 Ms.-- Thank you, Chair Menin. I do have a question
15 for Ms. Joseph from the United Auto Workers Union:
16 Why is broker fee reform important for unionized
17 workers?

18 MS. JOSEPH: Sure. As I mentioned in local 4100,
19 and in my shop at Mount Sinai, 80% of our workers are
20 international workers. 60% of postdocs at Columbia
21 are international workers. Many of us are parents,
22 have children.

23 Affordability is an issue that affects workers
24 and especially UAW members across the region. It's--
25 You know us postdoc researchers are coming to New

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 122

2 York City to contribute to science. You know, study
3 cures for cancer, study neurodegenerative diseases.
4 We're relocating. We're moving to-- We're moving to
5 a new country. We have many-- The moving costs are
6 exceedingly high. And you know, as the speakers
7 before me mentioned, being forced to pay first
8 month's rent, last month's rent, security deposit,
9 and, you know, broker fee on top of that is, you
10 know, makes it impossible for our workers to upgrade
11 apartments when our families grow, or when our needs
12 change. So, it's really important to workers in our
13 union and all the working class people in the city.

14 COUNCILMEMBER OSSÉ: Thank you. And my last
15 question is for Miss Abreu. How has the broker fee
16 impacted your ability to find housing for you and
17 your mother, as you testified? How is the broker fee
18 considered an obstacle to find affordable housing for
19 working class families?

20 MS. ABREU: So actually, I was thinking about it
21 when you asked. I can't remember who, but when you
22 asked about the bargaining process.

23 And for me, I remember, about, like 2014 I was in
24 high school, but we were trying to move, so I was
25 like, looking for a place for us, like, as a

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 123

2 teenager. And we were so desperate at the time that

3 that fee came up, and I was so confused. I was

4 always used to hearing about security deposit, one

5 month's rent. And I was like, "Oh. Well. Okay. I

6 guess we're desperate, so we'll pay it," but the

7 income requirement was the main obstacle then. But

8 that was when rent was \$1,400. Now rent for a two-

9 bedroom, or even a one-bedroom, is like over \$2,000.

10 I was passively searching on StreetEasy the other

11 day. I found like 32 apartments that were listed.

12 Only two of those didn't have a fee. One of them

13 that didn't have a fee was a two-bedroom apartment

14 that was going for \$3,200. Why would I go for that

15 option when there is a two-bedroom apartment that's

16 available for \$2,000? But then the problem with that

17 one is that there is a broker's fee. So I would have

18 to save \$6,000 to be able to actually access that

19 apartment. So, for me, that means that if I want to

20 move within New York City, I can't move freely. I

21 have to save for six to eight months, like I

22 mentioned before. I have to keep myself in an

23 insecure living situation, keep myself in an

24 uncomfortable living situation, keep myself in an

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 124

2 inadequate living situation until I have enough money
3 to pay somebody that I did not hire to move.

4 COUNCILMEMBER OSSÉ: And I'm not sure if you
5 remember, in your search, but when you found those
6 two no-fee apartments, do you recall if they were
7 luxury buildings, or pre-war buildings?

8 MS. JOSEPH: No, they were-- they were like
9 regular buildings in the neighborhood, like, that you
10 would find, you would look in like one of the regular
11 apartments that are like in the corner. You know,
12 something I see every single day. There's not really
13 that many luxury apartments in-- in Sunset Park,
14 specifically. And something that I keep like
15 laughing at when people talk about the fact that
16 there are not develop-- enough developments going on
17 in New York City. There are so many affordable
18 housing lottery apartments being built all throughout
19 the five boroughs. But the problem with that is that
20 there's like, income requirements for that, so
21 they're not accessible either. So, there are
22 apartments. So, I don't know where that-- that's
23 coming from.

24 And I also don't know where the number, like, the
25 50% of apartments that don't have brokers fees coming

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 125

2 from. Because again, in my search, I only found two
3 that did not have a broker's fee. And usually when
4 they don't have a broker's fee, it means that they're
5 going to be more expensive in rent because they're
6 trying to, like, fit that fee in somewhere else.

7 [BACKGROUND VOICES]

8 That's not in support of y'all.

9 [GAVEL]

10 MR. SOLANO: Councilmember, if I may add to your-
11 - Councilmember Ossé, if I can also try to answer
12 your question. If you look at The Williamsburg
13 market today, most of the development sites do not
14 hire brokers. They-- If the brokers were so sought
15 after, and this was an incredible service, why aren't
16 these high in high-income markets that charges \$4,000
17 to \$5,000 for two bedrooms going after the brokers to
18 market their apartments? There is an incredible
19 balance in the Williamsburg market right now.

20 There's incredible data on it that all the waterfront
21 units are being done on their own, with their own
22 team, without charging a tenant the broker fee.

23 So, there is a level of the high-income community
24 that does not have to pay the broker fee. They get
25 net effective rent. They get no fee. They get

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 126
2 swimming pool access. They get amenities on top of
3 it. They sometimes get a television from their deal.
4 But when it comes to the lower income side of the
5 family, we don't get the TV, we don't get the one
6 month off, and we have to pay a broker, a broker fee
7 for an apartment that should be being paid a broker
8 fee by the landlord.

9 So, there is a substantial amount of market rate
10 units in the system that is not using the service, a
11 lot of the people here in the room that call
12 themselves brokers. They've-- The whole entire high
13 income level renters have shifted over to handle
14 their own team and not charged broker fee.

15 So, the market is responding. The market is
16 saying, "Broker fee should either be handled by the
17 landlords, or we shouldn't be charging it at all,"
18 and that's coming from the high incomes.

19 So, what we should be doing is establishing,
20 getting the data from that, and understanding that if
21 that's working for the higher market, could be
22 working for the lower market as well.

23 MS. JOSEPH: I want to also reference the fact
24 that they all cheered for that, but that's-- the fact
25 that landlords find sneaky ways to do things is their

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 127

2 fault as well. They are their partnership. It's a
3 predatory partnership. They're going to feed each
4 other some way or another. It's not because
5 landlords are just going to do it to do it. It's a
6 partnership.

7 CHAIRPERSON MENIN: We've also been joined by
8 Councilmember Krishnan, and I'm going to turn it over
9 to Councilmember Nurse for a question.

10 COUNCILMEMBER NURSE: Thank you, Chair. One of
11 the things that was said this morning at a rally was
12 about the upfront costs, cobbling together the
13 upfront costs versus a little bit more in rent
14 monthly. And I think it really speaks to the cash
15 flow issue that we're-- that really is the problem
16 with most with most household budgets. They don't
17 have the cash flow. They have very little savings.
18 If anything goes wrong, if they get hurt at work, if
19 something happens, their kid gets sick-- Like every-
20 - So many New Yorkers are a simple accident, a
21 simple car situation away from completely depleting
22 their entire bank accounts. And so I-- you know this
23 conversation about rolling in the rent or not, it
24 really is about the fact that cobbling together
25 thousands of dollars up front is the-- is the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 128

2 barrier. Somebody said today, oh, \$50 to \$100 more
3 in rent. That might be something they could stomach
4 because that's what the market is at, unfortunately,
5 and that's a problem that has to be fixed. And
6 believe me, this Council works on that all the time.
7 Nobody here on this-- in this side of the table needs
8 a lecture about housing supply and housing demand.
9 We can just not waste our time talking about that, in
10 this particular instance. But the fact that it's--
11 it's incredibly challenging to get \$3,000, \$2,000,
12 \$1,000 extra when you don't really have anything in
13 the savings is really what we're talking about as
14 well.

15 So, can you speak to the-- the community that
16 you, that you work with and serve and their ability
17 to pull that amount of money together?

18 MR. SOLANO: I welcome this conversation. We-- I
19 just did it on Saturday. I helped my-- my brother-
20 in-law, move from a fourth floor walk up to a first-
21 floor apartment five blocks away. And I was just
22 there to bring coffee, and I ended up moving the bed
23 and the bureau with him. I was there for two hours
24 while my wife had the two kids looking. He only had
25 enough for the security deposit and the first month's

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 129

2 rent, and he has saved over two years just to be in
3 the position. And in his own mental felt that that
4 was totally appropriate. "It's the first month that
5 I lived there, and if anything ever happens to this
6 apartment, I know that is a security, that me and the
7 landlord will come..." This is on the ground. The
8 data will show that what I've just said as a human
9 example, will collaborate-- collaborate, everything
10 I've just told you on. It is almost nearly
11 impossible for everyday New Yorkers to combo together
12 our a first month's rent and a security. And he
13 already accepted that he was not going to get the
14 security from the apartment, that he was not-- even
15 though he mopped it, cleaned it, erased every little
16 thing that was there. He already just said, that's
17 going to take me forever. I'm going to try, but I'm
18 probably not going to get that back.

19 So, there is an incredible need that if there was
20 another fee on top, it would have been two years just
21 to do the first month, and the security, it would
22 have been impossible just for my brother-in-law to
23 move anywhere.

24 So, to your point, I say this is an incredible
25 need to put that broker fee on the landlord.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 130

2 CHAIRPERSON MENIN: Okay, thank you.

3 COUNCILMEMBER NURSE: It's also-- It's also the
4 fact that sometimes people end up going into debt to
5 cover that fee.

6 MR. SOLANO: Yeah.

7 COUNCILMEMBER NURSE: Because even if they might
8 work out a deal where there's-- they're not only--
9 things are rolled into their rent, but they're still
10 paying off monthly, something with a deal.

11 So, it is incredibly challenging at the household
12 level, and I really appreciate you speaking on it.

13 MR. SOLANO: Thank you.

14 CHAIRPERSON MENIN: Thank you very much.

15 Councilmember Oseé had another question for the
16 panel.

17 COUNCILMEMBER OSSÉ: Just one more question for
18 Mr Tusk, in response to your point on this impacting
19 the economy.

20 From your perspective, why is passing the FARE
21 Act important, especially for young professionals who
22 may want to work in new industries in the city?

23 MR. TUSK: Yeah. I mean, look, I invest in tech
24 startups, early-stage tech startups all over the
25 country. But I would always prefer to invest in New

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 131

2 York startups. And I have all of these companies
3 where they want to be based here, but they have to be
4 able to recruit talent, and they're competing with
5 other startups all over the country and all over the
6 world, and when the cost of living here is too high,
7 when someone has to move here and pay exorbitant out-
8 of-pocket fees just to get information that's already
9 free on the internet, they end up not basing their
10 companies here, right? And so all kinds of
11 industries, from digital health, to transportation to
12 energy, to education that are doing incredibly
13 groundbreaking things all across artificial
14 intelligence, machine learning, things like that.

15 We're not getting the benefit of that, simply
16 because we are sacrificing all of those jobs and all
17 that opportunity in order to give one constituency a
18 fee that they really, quite frankly, don't deserve.

19 COUNCILMEMBER OSSÉ: And the last question that I
20 have for you is: Why is it important to keep our
21 young professionals in New York and not move to other
22 cities?

23 MR. TUSK: I mean, they're-- because the ROI, the
24 Return On Investment is really high. I mean, these
25 tend to be people, who they're typically not in

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 132

2 schools, so there's no cost of educating. They're
3 not using a lot of social services. They're spending
4 the vast majority of their disposable income on
5 entertainment and nightlife, and, you know, bringing
6 it right back into the economy. So, they're--
7 they're paying taxes, they're putting money in the
8 economy. They require very little from the city in
9 terms of cost or services. These are really high-
10 value tax payers, and having them is where it gives
11 us the resources to help everybody else who needs
12 help. And so we should do everything we can to
13 encourage them to be here.

14 COUNCILMEMBER OSSÉ: So you would say forced
15 broker fees are bad for New York City's economy?

16 MR. TUSK: No question about it.

17 COUNCILMEMBER OSSÉ: Thank you.

18 MR. SOLANO: Councilmember Ossé, may I add to the
19 economy question? Because it's something that Sandy-
20 - Councilmember Nurse had mentioned: The assumption
21 is that most of our tenants are paying 30% of their
22 income towards rent. Tenants are more likely paying
23 50% to 60% to 70% of their income is going to rent.

24 This is not the days of 30% ratio that is
25 happening in New York. The market has exploded that

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 133
2 people need to put-- it used to be two generations of
3 family. People putting four generations of family in
4 one household, squeezing into a two-bedroom, and
5 paying up to 70% of that family's income towards
6 rent, and additional-- your legislation to put the
7 broker fee into a landlord or to anyone that wants a
8 broker fee will be life-changing to everyday New
9 Yorkers.

10 And I just wanted one last second to say, it's
11 not every day this happens. Over two decades that I
12 have been pushing legislation, this is an important
13 legislation that has real impact on New Yorkers, and
14 I appreciate you all today.

15 COUNCILMEMBER OSSÉ: Thank you. Thank you Chair.

16 CHAIRPERSON MENIN: Okay. Thank you very much to
17 this panel. And we will now call the next panel.
18 Douglas Wagner, Hal Gowsie, Sarah Salzberg, Melissa
19 Gomez. If you could please come up.

20 Okay, please begin.

21 MR. WAGNER: Hello. I'm Douglas Wagner from BOND
22 New York. I live in Councilmember Ossé's District
23 36.

24 I'd like to draw attention to the ideas of how
25 this would affect advertising transparency and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 134

2 possibly create the greatest amount of shadow
3 inventory since the days of classified newspaper
4 advertising.

5 Landlords can make a business decision not to pay
6 a broker fee, and they can simply offer available
7 apartments to the brokers they do business with on an
8 open-listings basis, and then still have the tenant
9 pay the fee. This is what happened in 2019, as was
10 previously discussed when the Department of State
11 issued guidance around HSTPA preventing a landlord's
12 agent from charging a broker fee to a tenant. As we
13 know, that guidance was overturned, but in the
14 interim, landlords would temporarily restate their
15 relationships with real estate brokers as a way to
16 avoid paying the fee.

17 Many of the rental companies would receive
18 vacancy lists with the same apartments on them with
19 huge disclaimers prohibiting advertising, warning us
20 that we, as brokers, could list the apartments, but
21 we did not represent the landlord. We were
22 encouraged to show these listed apartments to, and
23 bring applications from, tenants we already
24 represented and who would pay our commission.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 135

2 I'm afraid the number of online apartment ads
3 would likely decrease by up to 85% when brokers are
4 no longer allowed to advertise non-exclusive
5 listings.

6 Consumers don't care whether a listing is an
7 exclusive or a non-exclusive. They want to find out
8 what's available and how to see it. We could go from
9 around 17,500 transparent apartment ads today to
10 about 2,500 of them in a week, removing consumers'
11 choice to search between no fee and fee-based
12 listings, effectively forcing anyone able to find
13 anything satisfactory in the remaining inventory to
14 have to hire a real estate broker and pay them the
15 fee.

16 Most brokers would continue to receive the
17 vacancy lists, but the information won't go away--

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. I'm going to ask you
20 to wrap up please.

21 MR. WAGNER: This bill proposes to reduce tenant-
22 paid broker fees, and it would actually create more
23 of them than ever existed before. Thank you.

24 CHAIRPERSON MENIN: Okay. Next speaker.
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 136

2 MS. SALZBERG: Hello. I'm Sarah Salzberg. I'm
3 the owner of an independent firm, Bohemia Realty
4 Group in Harlem.

5 As New York City grapples with the housing
6 crisis, our legislators must focus on solutions that
7 address the root cause of this complex problem,
8 instead of dictating how rental brokers are
9 compensated. Intro 360 would have myriad unintended
10 negative outcomes for tenants that will raise housing
11 costs and further limit housing access. We have been
12 down this road before. The 2019 passing of the
13 state's disastrous HSTPA serves as a troubling
14 reminder of another legislative attempt to keep
15 housing affordable by restricting landlords and
16 brokers, which spectacularly backfired.

17 Since 2019 rent in New York City has raised over
18 26%. Last year alone, wages increased 1.2% while
19 rents increased 8.6% the highest of any market in the
20 country.

21 One of the many unintended consequences of HSTPA
22 is the tens of thousands of rent stabilized units
23 that sit off line due to a mandate that allows for
24 almost no rent increase, regardless of the funds
25 needed for renovations.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 137

2 City officials would better serve their
3 constituents by immediately advocating for reforms to
4 HSTPA, which would bring back 10s of thousands of
5 rent stabilized units.

6 Have there been any economic studies or analysis
7 that indicate Intro 360 would lower rents? I think
8 we have clearly seen today: No, there have not been.

9 Once a law is passed, it is hard to roll it back.
10 That's why we are fighting against this bill.

11 Number one: Renters will be forced to pay more
12 in rent and in fees. If all exclusive relationships
13 mandate that the broker fees is paid by the owner,
14 the owner will pass that cost to the tenant. That's
15 what they do now. Should that tenant stay longer
16 than a year, they end up paying that fee over and
17 over again.

18 Number two: Renters will have less choice.

19 Right now, any open listing that currently pays a fee
20 to a tenant's agent, that would no longer be legal.

21 Similarly, there are many exclusives where owners may
22 prefer to keep rents lower for faster absorption.

23 Intro 360 fails to consider the flexibility that the
24 New York City market demands, and that has

25 historically benefited renters by giving them choice.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 138

2 [BELL RINGS]

3 CHAIRPERSON MENIN: Next speaker, thank you.

4 MR. GOVSIE: Thank you. Hal Govsie with Douglas
5 Elliman. Thank you for having me here. This bill
6 will be a lose-lose for renters and agents, as it
7 would increase rents and make it harder to apply for
8 an apartment, while also creating a more challenging
9 environment for agents to be paid for their work.

10 As we see, working with property owners every
11 day, most no-fee apartments do not absolve the renter
12 from paying broker compensation. If not paid
13 directly by the renter, landlords most often include
14 broker fee costs in the rents.

15 The reality is, few owners have the time or
16 interest in handling the work that brokers do, and
17 recognize without them, apartments would not be
18 marketed, shown, and leased with the level of detail
19 and efficiency that benefits landlords and renters
20 alike.

21 With the current rental housing supply in New
22 York City so far behind demand, market history
23 suggests leasing apartments at higher rents,
24 inclusive of broker fees, will not be a challenge for
25 these owners.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 139

2 The Councilmember sponsoring this bill has even
3 acknowledged that the result of this legislation
4 would be that many landlords would include broker
5 fees in rents, arguing that the cost of a broker fee
6 would be more manageable for the renter if paid over
7 the cost of the initial lease term, rather than on
8 signing the day. This is shortsighted.

9 While deferring broker fee costs may offer
10 momentary financial relief for some by baking fees
11 into rents, you are creating three negative
12 consequences for renters: Immediately, you are
13 inflating average asking rents that would limit
14 negotiating power for renters in an already
15 competitive market; additionally, this bill could
16 also impact housing access with a higher base rent,
17 more renters will not meet the income requirements to
18 apply for certain units, thus further limiting their
19 options; finally, by including a previously one-time
20 payment now and rent, renters will again pay the cost
21 of the broker fee each year they resign their lease.

22 As I see my time is wrapping up here: If
23 legislators want to curb rising apartment costs, they
24 should support tools to create more housing
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 140

2 inventory, to keep up with demand, continuing to
3 advocate for failed ideas like--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Okay. If you could please
6 wrap up.

7 MR. GOVSIE: -- Intro 360 distracts from
8 addressing the real causes of housing costs, increase
9 while punishing hardworking brokers and creating a
10 more challenging environment for renters.

11 CHAIRPERSON MENIN: Okay. And next panelist.

12 MS. GOMEZ: Hi. My name is Melissa Gomez. I'm
13 actually from Southeast Queens. I'm a member of the
14 New York State Association of Realtors. I'm a real--
15 I am a realtor, and I'm also a small landlord as
16 well.

17 This legislation simply will not help the
18 residents of New York. Affordable housing is a huge
19 concern for all of us, not just for this council, but
20 for real estate agents as well. This bill attempts
21 to put a band aid on an issue, yet not really
22 resolves the problem. Enacting a bill like this
23 would make landlords either not use a real estate
24 agent or significantly increase their base rent.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 141

2 How do I know that it would increase rent?

3 That's because if you look on StreetEasy today, there
4 are 13,942 apartments. Out of that 6,542 are no
5 fees. When you're looking at the fees, the no fee,
6 rentals start at \$4,893. The ones that are
7 associated with broker fees are starting at \$2,899
8 hat right there, shows you what's going to be
9 happening as far as rent is concerned.

10 Then we talk about other areas. I looked up
11 Miami. In Miami, tenants have to pay three months up
12 front, first month's rent, last month's rent and a
13 security deposit. Here we only do first month's rent
14 and a security deposit to the landlord. But Miami
15 also has different tenant laws. For example, you can
16 give a three-day notice in Miami for eviction of non-
17 payment, whereas in New York City, 30, 60, or 90 days
18 is your notice and you're going to be in housing
19 court for a minimum of a year.

20 Next, the question is: What will happen if we
21 discourage land was from hiring real estate agents.
22 And let's face reality. In my experience, some
23 landlords do not feel that the same fair housing laws
24 that apply to real estate license leaves apply to
25 them. I have often had to explain to a landlord

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 142

2 about the state and federal fair housing laws and how
3 they must obey them.

4 If this bill becomes law, the opportunity will
5 decrease, and instead, the limited housing options
6 that are currently available will become even more
7 limited to the majority of people that are actually
8 seeking shelter.

9 This bill is an attempt to put a band aid on the
10 affordability crisis. However, does not address
11 issues like the delays in housing court, the red tape
12 to build, modify and renovate, et cetera, that are
13 not being addressed.

14 To give an example, I own a two-family property
15 in the Bronx. I had a gas leak. It took me six
16 months back and forth between Con Ed in New York City
17 to get that resolved.

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. I'm going to ask you
20 to wrap up please.

21 MS. GOMEZ: Okay, no, that's it. You know, I
22 just at the end of the day, it's going to be baked
23 in, which is the reality. Thank you for having-- for
24 hearing me.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 143

2 CHAIRPERSON MENIN: Okay. Any questions for this
3 panel? If not, we are going to move on. And I also
4 want to mention, we've been joined by Councilmember
5 Brewer. Okay, thank you to this panel. I'm now
6 going to call the next panel. Anna Klenkar, Michael
7 Corley, Samuel Stein, Allia Mohamed, Brendan
8 Griffith. Please come up. Thank you.

9 COUNCILMEMBER OSSÉ: You may begin. Remember to
10 turn on your mic.

11 MS. KLENKAR: Good morning, Councilmembers. My
12 name is Anna Klenkar, and I'm a broker who supports
13 the FARE Act. In 2019, when this briefly became law,
14 I was primarily a rental agent, earning about \$40,000
15 a year, and I welcomed this change.

16 Not only is it a fairer system, one which exists
17 almost everywhere else, but it meant I would never
18 again work with a tenant for weeks, only to give up
19 my commission when a listing agent wanted the full
20 15% fee, a fee paid by someone who actually hired me,
21 not them.

22 Since 2019, I've publicly supported this type of
23 legislation. I'm not alone, but the official
24 industry stance has been to block these bills in
25 order to protect our income.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 144

2 That's how REBNY gathered agents here to protest
3 today by claiming this is necessary to, quote,
4 protect our commissions. But REBNY has also proposed
5 as an alternative to the FARE Act helping tenants
6 negotiate down the commissions they pay us. It feels
7 less like we're protecting ourselves and more like
8 we're protecting landlords, whom REBNY also
9 represents.

10 Notably, they do not represent tenants, which
11 makes me question some of their other claims about
12 the bill's impact. The FARE Act does not cap agent
13 commissions. If our incomes drop because landlords
14 pay us less than they expected tenants to pay, it
15 just shows the current system is built on
16 exploitation.

17 At the end of the day, it isn't about us. It's
18 about removing financial hurdles that keep tenants
19 trapped in unsafe situations, which can be as serious
20 as life or death. But while you don't need real
21 estate's permission to pass this bill, rest assured
22 that agents, as well as attorneys and other industry
23 professionals are involved, even if it was too risky
24 or intimidating to physically be here today.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 145

2 It is incredibly popular, and the longer we fight
3 it, the more we erode agents reputation and public
4 trust. There are always unintended consequences to
5 any change, but not all of those consequences are
6 bad. I believe this bill will help much more than it
7 hurts, and if any Councilmembers have additional
8 questions, I'm happy to speak further. Thank you for
9 your time.

10 COUNCILMEMBER OSSÉ: Thank you.

11 Thank you, Chair Menin, and thank you
12 Councilmember Ossé. My name is Samuel Stein. I'm a
13 Senior Policy Analyst at the Community Service
14 Society of New York, which is a nonprofit that's been
15 helping low-income New Yorkers for about 180 years.
16 We've always had a strong focus on housing and
17 especially on low-income tenants.

18 We support Intro 360, or the FARE Act, and I want
19 to add some data points that have not been discussed
20 before that can help inform our support.

21 The first is that the median renter household in
22 New York City makes 59% of the area median income or
23 Ami. Owners in the city make 109% of AMI. So,
24 there's a huge income discrepancy according to the
25 last housing and vacancy survey.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 146

2 The housing and vacancy survey also showed a lot
3 of movement in this city. In fact, there was a 44%
4 increase in moving within the city from the last HVS
5 to the current one. Over 761,000 households, more
6 than one-in-five New York City households, moved into
7 their current home in the years 2021 or 2022. This
8 is unheard of. 57% of them moved into market-rate
9 apartments, not necessarily because they love
10 market-rate apartments, but because that's what's
11 available.

12 However, it's not an even playing field. It is
13 much more higher income people who are able to move
14 than lower income renters. 56% of people who moved
15 into their apartment since 2021 make more than
16 \$100,000. We're just talking about rental
17 apartments. People who make-- Renters who make over
18 \$100,000 are just 36% of the city's rentals, yet they
19 were 56% of the people who were able to move.

20 There was also a racial discrepancy. 50% of the
21 people who were able to move in those last few years
22 are white, whereas white renters are just 32% of the
23 New York City tenants. I have more data that I can
24 offer on savings as well.

25 COUNCILMEMBER OSSÉ: Thank you.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 147

2 MS. MOHAMED: Hello. My name is Allia Mohamed,
3 and I'm the Co-Founder and CEO of Open Igloo, a
4 leasing marketplace that's helped over a million and
5 a half New York City renters research their
6 landlords, review their buildings, and find quality
7 apartments.

8 In the last four years, we've also worked
9 alongside brokers and landlords that share our belief
10 that transparency is paramount in creating a fair and
11 functioning housing market. And at Open Igloo, we
12 feel that the FARE Act supports that belief, and I
13 want to share a few of the perspectives that we've
14 learned from the renters, agents, and landlords that
15 are a part of our community.

16 I think many people in this room would agree that
17 whenever a New Yorker complains about their housing
18 situation, maybe it's a maintenance issue, or maybe
19 they just want a different kind of space, the common
20 response from non-New Yorkers is, "Well, if you don't
21 like it, why don't you just go find something else?"
22 And this reply is so frustrating, because we all know
23 the emotional and financial toll that comes with
24 moving in this city. A one- or two-month broker fee
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 148

2 on top of moving costs is simply a financial
3 impossibility for many New Yorkers.

4 The FARE Act will give renters the freedom to
5 move, the freedom of choice, and keep renters from
6 being excluded from what is already a tight housing
7 market.

8 We've also learned from landlords that it is
9 better if tenants don't feel like they were forced to
10 pay a fee to a broker that did not represent their
11 interests. Many owners agree that the FARE Act has
12 the potential to build trust and to make sure that
13 the owner-tenant relationship starts off on the right
14 foot, and that is good for business.

15 From our agent community members, including the
16 agents that work on our team, we've heard that this
17 will be an opportunity for great agents to rise above
18 the stigma and focus their energy on building long-
19 lasting relationships with the owners and renters
20 that value their expertise.

21 I understand that this is a charged debate, but
22 one thing is unequivocal, and that something needs to
23 change. The FARE Act is the first proposal we've
24 seen that isn't going after brokers, isn't going
25 after fees, but simply trying to make the process of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 149

2 renting more transparent and fair for all
3 stakeholders. Thank you.

4 MR. CORLEY: Good morning, Chairperson Menin, and
5 thank you for allowing me to come here and speak in
6 support of the fairness of the FARE Act. My name is
7 Michael Corley. I'm the principal broker at Corely
8 Realty Group, a boutique residential brokerage firm
9 that started in 2004. And I'm here in support of the
10 FARE Act, because just as many of the people that are
11 here on the panel that I'm with, it establishes a
12 much fairer marketplace.

13 As a Managing Principal at Corely Realty Group,
14 Inc, I personally understand how challenging it is to
15 earn a living as a licensed real estate agent. So,
16 it was not an easy decision in 2008 to end the
17 practice of charging renters a broker fee. That
18 decision proved decisive, since it fostered referrals
19 from our existing leasing clients, and bought new
20 business opportunities to our firm.

21 It is my hope that as a licensed practitioner for
22 22 years, having professionally leased over 150
23 apartments, personally in my career, my testimony can
24 provide a balanced perspective that demonstrates the
25 value this legislation offers to thousands of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 150
2 residents that enter the rental market each year and
3 the licensed real estate agents that broker rental
4 transactions on the path of property owners.

5 Hopefully, by the end of my testimony, members of
6 the Consumer and Worker Protection Committee and all
7 in attendance will appreciate the value agents bring,
8 and also why property owners should pay for the
9 services they offer. Thank you.

10 MR. GRIFFITH: Good afternoon, Chair Menin and
11 members of the Council's Committee on Consumer and
12 Worker Protection. My name is Brendan Griffith, and
13 I am the Chief of Staff at the New York City Central
14 Labor Council, AFL-CIO. Over 300 unions are part of
15 our coalition, and those unions represent over 1
16 million workers across all five boroughs of our city.

17 We strongly support Intro 360 which requires the
18 party retaining the services of a broker to pay the
19 broker. Today, New York City is a city where a
20 majority of households, 69%, rent their homes.
21 Currently, the median asking rent for an apartment is
22 approximately \$3,500, a staggering \$42,000 per year.

23 In addition to meeting that high monthly rent,
24 most tenants who want to move into a new apartment
25 are forced to pay broker fees, even when they did not

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 151
2 retain the services of that broker, or they were able
3 to find the apartment on their own.

4 The resulting upfront costs of moving have made
5 it even more difficult for working New Yorkers to
6 find appropriate housing within New York City. With
7 rental costs already accounting for more than 30% of
8 some New Yorker's income, many of our members are
9 already rent burdened, or paying more than 50% are
10 severely rent burdened, and that's before even
11 accounting for substantial payments to third parties
12 that they had no choice in retaining.

13 The current state of affairs has contributed to
14 making New York City unaffordable for working
15 families. Intro 360 eases some of that burden by
16 ensuring that, like in almost every other city in the
17 United States, the person who decides to hire a
18 broker is the one who will pay for their services.

19 By shifting the burden of some of these upfront
20 costs back to the party who hires these brokers, the
21 FARE Act brings us one step closer to ensuring that
22 everyday working families are able to live and thrive
23 in New York.

24 And I just want to end by stating that the CLC
25 and our affiliates, we appreciate the opportunity to

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 152

2 testify in support of this much-needed legislation,
3 and we look forward to continuing to work with this
4 committee to develop policies that improve the lives
5 of working people in New York City. Thank you.

6 CHAIRPERSON MENIN: Thank you very much. I'm
7 going to turn it over to Councilmember Ossé for
8 questions for this panel.

9 COUNCILMEMBER OSSÉ: Thank you. And I do want to
10 start, because I know there was a gentleman who
11 testified earlier that said that brokers were not
12 engaged in this bill, but we actually wrote this bill
13 with brokers to get their input, who were in support
14 of the FARE Act.

15 The first question that I have is for Ms.
16 Klenkar. What are the benefits of having brokers
17 collect their fee from the hiring party?

18 MS. KLENKAR: Um, choice for one. We heard
19 earlier that right now, tenants have a choice: No
20 service or full service. And that's not even
21 entirely true. But in a new system, each party, the
22 landlord and the tenant, get to make a decision if
23 they hire someone, who they hire, and what services
24 they're requesting for what payment. So, for
25 example, you are moving to New York City, and you

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 153
2 might not want someone to run around with you and do
3 every single showing for 15%, but maybe you negotiate
4 something different. Maybe you're a family that's
5 working and you don't have the funds for a full fee,
6 but you can come to an agreement with your
7 representative, where something that works for both
8 of you.

9 As a system exists today, you do not have any say
10 in that as a tenant, the only person with choice in
11 the current situation is the landlord, who's deciding
12 whether their property is listed with an agent or
13 not, and what the fee is.

14 COUNCILMEMBER OSSÉ: I also want to reiterate
15 that the FARE Act was introduced with the intent of
16 just making real estate transactions fair for all
17 parties, including landlords, tenants, and brokers
18 who are involved. Broker and consumer whether--
19 Yeah, I guess, tenant and landlord, if FARE were to
20 pass, how can brokers be empowered to negotiate their
21 fees from the hiring party

22 MS. KLENKAR: The same way we negotiate
23 everything. I mean, we have to have buyer
24 agreements, seller agreements, landlord agreements.
25 You're already sort of negotiating with a tenant or a

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 154

2 landlord now. This just gives you the ability to
3 say, "Look, you can't shift the entire fee to the
4 tenant. You're going to have to pay me something, if
5 you want to hire me, and we can figure out what that
6 looks like."

7 COUNCILMEMBER OSSÉ: And the Real Estate Board of
8 New York is stating that under FARE, brokers will
9 lose their ability to make more money, and it will
10 cap their fees. They've said this multiple times
11 about this bill. From your perspective as a broker,
12 how will the FARE Act impact brokers?

13 MS. KLENKAR: Well, it doesn't cap fees. It
14 definitely doesn't. And REBNY does govern landlords,
15 so if they are concerned about agents getting paid,
16 they do have something to do about it, potentially.

17 But as far as what else it will impact, it really
18 just removes an exploit. Tenants pay 15% out of
19 desperation. No one is paying 15% because they feel
20 that that is what's fair to them, to someone who just
21 showed them an apartment once, and did a lot of
22 valuable work, but for the other party.

23 COUNCILMEMBER OSSÉ: Thank you. And I have a
24 question for Mr. Corley. How long have you been a
25 broker for, again?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 155

2 MR. CORLEY: 22 years.

3 COUNCILMEMBER OSSÉ: Okay. And we are hearing
4 that the broker fee can be negotiated. In your
5 opinion, are renters well-equipped to negotiate down
6 the broker fees?

7 MR. CORLEY: Absolutely not. [CHUCKLES] No.

8 COUNCILMEMBER OSSÉ: Do you want to speak more to
9 that, or...?

10 MR. CORLEY: Certainly. Listen, I'll just share
11 with you that as a broker, if I'm listing an
12 apartment, I have at my disposal what I call a
13 gatekeeper fulcrum, meaning that because I'm the
14 access point to that apartment, I also control the
15 outcome to presenting an application, to assessing
16 default risk of that applicant, and making certain
17 that there's no other avenue for them to achieve
18 getting a lease other than through me, since I'm
19 hired by the broker.

20 For all of our clients, the people that I work
21 for, they hire me, they pay me, and those are
22 property owners, small property owners, people that
23 own two-family brownstones, three-family brownstones.
24 So they are well acquainted with the level of work
25 that I do. And had I continued that practice of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 156
2 requiring a fee from the renter, there'd be no chance
3 of them negotiating anything to lower a fee for me.

4 COUNCILMEMBER OSSÉ: Thank you for that. And I
5 have another question for you: The brokers on the
6 previous panel mentioned that there is an agreement
7 prospective tenants or renters need to sign. Is this
8 agreement that prospective renters are signing a
9 document that renters have full knowledge and
10 information to knowingly sign?

11 MR. CORLEY: It's at the point of sale, much like
12 when you go to the counter at CVS, and you've got all
13 your goods, and you find out how much it costs. At
14 what point do you have to negotiate down any value at
15 that point? You don't. And so when a renter finds
16 out that the landlord has approved them to lease the
17 apartment from the broker, they get handed a bunch of
18 papers, forms that outline certain disclosures,
19 acknowledgements, and as a result, they are at the
20 point of which-- with so much sunk costs they can't
21 refuse to move forward. It's an enormous task to
22 lease an apartment in this city. And they would
23 rather go ahead and move forward rather than to begin
24 the search again. So, no.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 157

2 COUNCILMEMBER OSSÉ: And, Ms. Klenkar, I wanted
3 to follow up on something that you said, because I've
4 received in our push for this bill, dozens of
5 messages, private messages from brokers who are in
6 support of this bill and didn't feel comfortable
7 coming to testify in support of this bill.

8 I know you spoke a little bit to that, in terms
9 of some of the intimidation that-- that-- and the
10 support that comes within the broker community.

11 MS. KLENKAR: Look, sometimes it's not possible.
12 If you're an agent on a team. I know some people who
13 speak off the record because they can't risk their
14 team's ongoing relationships with certain landlords.
15 People have been fired over this. And REBNY actually
16 contacted my manager when they found out I would be
17 here today.

18 COUNCILMEMBER OSSÉ: Wow.

19 MS. KLENKAR: So, it is a little bit intimidating
20 to feel like your industry thinks you're a traitor
21 for voicing your opinion.

22 COUNCILMEMBER OSSÉ: Another question for you is:
23 There's an argument that if landlords are forced to
24 pay for brokers, no one would hire a broker due to
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 158

2 cost. Do you believe that is true? And if not,
3 please elaborate why.

4 MS. KLENKAR: I don't think it's true because I
5 do a lot of-- or have historically done a lot of no-
6 fee rentals with owners who are choosing to hire me
7 and they're paying my fee so that every tenant is
8 going to be treated kind of the same, and we can
9 evaluate who has the strongest application, and who
10 will be the best fit for their listing.

11 COUNCILMEMBER OSSÉ: Thank you. And, Ms. Mohamed,
12 opponents say renters already have a choice to not
13 pay the broker fee because of no-fee apartments.
14 But, how many apartments in New York are considered
15 no-fee apartments?

16 MS. MOHAMED: I know we've heard a lot of stats
17 today that it's around 50-50. And I think looking at
18 just the StreetEasy data is a bit inaccurate, to get
19 a full picture of what the no fee listings are.

20 I would say closer to 70% of the listings in New
21 York City come with a fee, and the other 30% that
22 don't have a fee, a lot of times it's, you know,
23 landlords that have gone a different route, having
24 in-house leasing teams that are made up of agents,
25 actually, that just have a different cost structure

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 159

2 that they've modeled into-- into their financials
3 when it comes to leasing the properties.

4 COUNCILMEMBER OSSÉ: And what are the typical
5 rents of no fee apartments?

6 MS. MOHAMED: So, it definitely varies. It
7 depends on neighborhood. It depends on borough. But
8 you definitely see no fee apartments that happen more
9 commonly in luxury apartments with full-fledged
10 amenities. Those buildings come with free month
11 concessions. They come with no fees. Those
12 buildings have on-site teams like I shared that are--
13 that are made of agents.

14 So, definitely there isn't this full-fledged,
15 full-choice access that a renter has when they go
16 into the market. They're really making a choice
17 between 70% of the apartments taking that completely
18 out of the list when they're looking to move.

19 COUNCILMEMBER OSSÉ: And you would say most of
20 those no-fee apartments on the market are luxury
21 apartments?

22 MS. MOHAMED: A big-- A big percentage of them.
23 Not all, but a large percentage of them.

24 COUNCILMEMBER OSSÉ: So they would be-- So they
25 would be expensive anyways?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 160

2 MS. MOHAMED: Correct.

3 COUNCILMEMBER OSSÉ: Right. Why are the rents
4 of-- Oh, well you answered that. Opponents say that
5 tenants are able to negotiate-- give me one second--
6 negotiate down a broker fee, and this fee is not
7 forced. From your research do you feel-- do you
8 feel that a renter having an ability to pay the
9 higher broker fee means they are seen as a more
10 competitive tenant, and therefore likely to be chosen
11 by the landlord for the unit?

12 MS. MOHAMED: Yeah. I'll echo some of the
13 comments made by the panelists. You know, a key
14 ingredient to any negotiation is to have leverage.
15 So, it is very, very difficult for renters at the
16 11th hour when they need a new apartment next week to
17 start negotiating the broker fee in that moment. We
18 get emails, inquiries from renters every single day,
19 asking for guidance on whether they should negotiate
20 the broker fee. And there are many instances where
21 we'll encourage them to do that, if we think it's--
22 if we think it's smart, right? Has the apartment
23 been on the market for 100 days? What neighborhood
24 is it in?

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 161

2 There are brokers-- Not all brokers operate as a
3 monolith, right? Everyone operates their business in
4 a different way. There are some renters-- some
5 brokers that will prioritize applications that will
6 pay the highest fee. Other brokers may not operate
7 that way. But I would say it is very difficult for
8 renters to negotiate broker fees.

9 COUNCILMEMBER OSSÉ: And my last question for you
10 before moving on is that we hear that units are
11 listed as no fee, but then prospective tenants will
12 find out that these units are actually requesting a
13 broker fee. What is the reason behind this?

14 MS. MOHAMED: We do see it happen quite-- quite
15 frequently. And listen, there are a lot of brokers
16 in this room that are doing their business by the
17 book, following the laws to the T, making sure that
18 all the disclosures are given to the renter even in
19 the first inquiry, right?, in the first phone call or
20 email.

21 But there are some cases, and I think it's
22 important for people to acknowledge this, that you
23 will show up to a no-fee listing, and a broker might
24 tell you, "Oh, sorry. That apartment is no longer
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 162
2 available. Let me show you something else, but that
3 apartment has a fee. Would you like to see it?"

4 So we do see that happen. We do get inquiries
5 from renters that are asking for guidance on this.
6 "Is a broker allowed to do that? What can I do?"
7 And sometimes we're just-- we just say,
8 "Unfortunately, you know, you're going to have to,
9 you know, move on to another apartment." So, it's
10 very difficult for renters.

11 COUNCILMEMBER OSSÉ: Thank you. And I have a
12 couple questions for Mr. Griffith from the Central
13 Labor Council. Why is broker fee reform-- reform, in
14 your opinion, or from the union's perspective,
15 important for unionized workers?

16 MR. GRIFFITH: Great. Thank you for the
17 question. You know, the reality is that the median
18 rents of approximately \$3,500, the median annual
19 income of about \$77,000, New York City is-- is more
20 and more unaffordable. And when you have fees like
21 this that are paid for all intents and purposes, they
22 are a wage cut. They are wage cut for workers who
23 are trying to change the situation to a more
24 appropriate apartment, as has been mentioned by
25 previous panelists, it might be a larger apartment

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 163

2 for a larger family, closer to home. Many city
3 workers have residency requirements. This is a
4 significant part of how workers in New York City
5 spend their income.

6 COUNCILMEMBER OSSÉ: Thank you. And what is the
7 correlation to keeping workers in New York, and
8 strengthening union power?

9 MR. GRIFFITH: New York City is a union town.
10 You know, it's-- it's said often, and it's as true
11 today as it was 10 years ago, 20 years ago, and it
12 will be 10 years and 20 years from now. That being
13 the case, we want to make sure that union workers in
14 this city are invested in this city as residents,
15 their families are-- You can afford to raise a
16 family in this city, and to do that, we need to make
17 sure that that housing is a cost that is controlled
18 for workers.

19 COUNCILMEMBER OSSÉ: Thank you. And for our last
20 panelist, Mr. Stein, from CSS's survey, quote "The
21 Unheard Third", it was reported that a majority of
22 tenants surveyed cannot afford all the expenses that
23 come from moving into a new home, and this led to
24 tenants taking on debt, borrowing money, or selling
25 possessions, which further put an undue burden on

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 164

2 them. What do tenants feel that they have to do, all
3 that to ensure they can meet the fees associated with
4 moving in.

5 MR. STEIN: Yeah, and let me say that "The
6 Unheard Third" survey is an annual survey we've been
7 doing for over 20 years, and it's a scientifically
8 rigorous study. It's done by a professional polling
9 firm. Our sample size is quite large.

10 So yeah, a majority of tenant respondents said
11 that they could not cover a \$400 emergency expense.
12 And as you said, they-- When we asked, you know,
13 "What would you do?" They said, "We'll take on debt,
14 borrow from friends or family," or sell something in
15 their possession. That's just for a \$400 expense.
16 We asked how much money New Yorkers have in savings,
17 homeowners-- a majority of homeowners said more than
18 \$10,000, while the most common response for public,
19 subsidized, and rent-regulated tenants was \$0 to \$99.
20 And you might say, well, they don't pay broker fees
21 to get into their apartments. Well, yes, but they
22 want to pay-- they might need to pay a broker fee to
23 get to another apartment. So, when they move, they
24 have nothing in savings.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 165

2 And in fact, two out of five market rate tenants
3 also said they have \$0 to \$99 in savings.

4 We asked about, you know whether they worry about
5 household expenses: 40% of homeowners said they
6 never have to worry about family expenses. Less than
7 20% of renters said the same.

8 COUNCILMEMBER OSSÉ: Thank you. One more
9 question. I'm so sorry Chair. But Ms. Klenkar,
10 remember in the past panel, we heard that brokers or
11 landlords are just going to take their homes off of
12 these sites and will go into an age of darkness in
13 terms of finding an apartment. Can you speak to
14 that? Or does this bill have any correlation to how
15 that would impact?

16 MS. KLENKAR: I think that in some situations, it
17 feels like a bluff. Because if you're claiming that
18 instead of paying an agent a one-month fee to
19 represent enlist your apartment, or choosing to do it
20 yourself, you're going to not earn an entire year's
21 worth of rent because it's easier for you to keep it
22 vacant than have it rented if the tenant is no longer
23 paying the fee? I find that confusing.

24 I also want to point out this bill is not passing
25 today. There will be plenty of opportunity after

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 166

2 this to go through every single specific situation
3 with things like open listings and transparency.

4 I hope that this is the-- hope of-- or the
5 beginning of more collaboration between members of
6 the public, City Council, and people who work in real
7 estate on the ground, having more input into bills
8 that will help protect everyone.

9 COUNCILMEMBER OSSÉ: Thank you. And I also do
10 want to thank the hundreds of supporters who are
11 outside. I know that they're watching on live
12 stream, who haven't made it in yet. This committee
13 sees you, and knows where New Yorkers stand.

14 So, thank you so much to this panel.

15 CHAIRPERSON MENIN: Okay, thank you to the panel.
16 I'm now going to call the next panel, Jason Haber,
17 Brian Hourigan, Anthony Domathoti (sorry, it's hard
18 to read this one), and Keyan Sanai. Please come
19 forward to testify. Thank you.

20 Okay, please begin,

21 MR. HABER: Good morning. Good afternoon now.
22 My name is--

23 [GAVEL]

24

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 167

2 CHAIRPERSON MENIN: One second. Sssh. If
3 you're going to be speaking, please exit the chambers
4 so we can hear. Thank you.

5 MR. HABER: Thank you. My name is Jason Haber.
6 I'm the Co-Founder of the American Real Estate
7 Association, and a long-time member of REBNY. The
8 last 25 years I've been coming before this council,
9 championing many progressive causes. I am a former
10 district leader, state committee member, and DNC
11 delegate, and I speak today not just as a progressive
12 with receipts, but as a real estate professional and
13 also an academic, where I've served on the adjunct
14 faculty at John Jay College, where I taught courses
15 on urban planning and affordable housing.

16 Councilmember Brewer has been-- spoken to my
17 class. I don't think any other members of the
18 committee are, but in future classes, I'd love to
19 have you there.

20 I frequently lecture to civic groups on urban
21 planning, and I'm considered an expert in this field.
22 And so my evaluation today of this bill comes from
23 years of study and market knowledge. It doesn't come
24 from speaking to people at diners. Sorry, Governor.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 168

2 But let me be clear for all the intentions of
3 this bill, it's the unintended consequence, and I
4 truly know it's unintended, but rents will go up.
5 They will go up to historic levels, and your
6 constituents will come to you and say, "Why is the
7 rent too damn high?" It will make today's rent look
8 low.

9 We have an obligation to not engage in tactics
10 which raise the rents. They are already far, far too
11 high. There are real solutions out there that I'd
12 love to discuss with you in the Q and A if you like.

13 There are agents here today who are not on the
14 clock. They are not being paid. They are losing
15 money because their livelihoods are also on the line.
16 We can do better. Let's make New York more
17 affordable, and it starts by voting no on this bill.
18 Thank you.

19 [APPLAUSE]

20 [BACKGROUND VOICES]

21 CHAIRPERSON MENIN: Okay. Again, we've been very
22 clear what the rules are. You cannot-- You really
23 need to remain silent. Please. Next speaker. Thank
24 you.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 169

2 MR. DOMATHOTI: Good afternoon. Chairman--
3 Chairwoman Menin, and members of the Council
4 Committee on Consumer and Worker Protection. My name
5 is Anthony Domathoti, and I'm a real estate broker in
6 the Bronx. I'm also a member of the New York State
7 Association of Realtors, and the Hudson Gateway
8 Association of Realtors whose members serve Manhattan
9 and the Bronx, as well as the lower Hudson Valley.

10 As a lifelong resident of the city, I witnessed
11 the struggles and triumphs of countless individuals
12 navigating our city's challenging rental market. The
13 support and expertise of licensed realtors has been a
14 beacon of hope for many, including myself.

15 I'm here to speak in opposition of Intro 360.
16 When I first moved to this bustling city for my
17 career, I was overwhelmed by the sheer complexity of
18 finding an affordable apartment. The maze of
19 listings, the uncertainty of landlords who charged
20 varying security deposits, and had conditions for
21 application approvals, and the ever-looming threat of
22 being taken advantage of were daunting.

23 A licensed Realtor stepped in, offering not just
24 a service but a lifeline. Their fee, which some
25 might see as a burden, was a small price to pay for

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 170

2 the security, for the peace of mind, and the
3 invaluable guidance they provided me.

4 I also think of a dear friend who, after months
5 of fruitless searching and countless disappointments,
6 decided to enlist the help of realtor. Within weeks
7 they found a suitable home, navigated the legality
8 seamlessly, and moved in without the stress that had
9 plagued them for so long. The Realtor's fee was not
10 just a payment, it was an investment in their future,
11 in their stability, and in their happiness.

12 This bill threatens to dismantle the crucial
13 support system by prohibiting Realtors from
14 collecting fees unless directly employed by the
15 renter. We risk stripping away the very essence of
16 what makes the New York City Market navigable for so
17 many. Realtors are state licensed professionals, not
18 faceless entities. They're hardworking individuals
19 who dedicate their lives to helping others find homes
20 in their vast, unforgiving city.

21 [BELL RINGS]

22 I'm just going to close off with one sentence.
23 Let us not forget that every policy impacts real
24 life. The realtor who helped me find my first
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 171

2 apartment, the agent who rescued my friend, are the
3 backbone of this city's market. We must--

4 CHAIRPERSON MENIN: Okay, you need to-- no, no.
5 That's more than one sentence. We're going to--
6 Again two minutes for every speaker.

7 MR. DOMATHOTI: Thank you. Thank you for your
8 time.

9 CHAIRPERSON MENIN: Okay, thank you. Next
10 speaker.

11 MR. SANAI: Hi. My name is Keyan Sanai. I've
12 been the number one rental agent at Douglas Elman for
13 the past five years in a row, and I've been in this
14 business for a little over a decade.

15 I come from a single family, low-middle-class
16 home outside of Poughkeepsie, New York, and I'm a
17 proud product of the public school system. A
18 majority of my family are refugees who escaped from
19 Iran during the Islamic Revolution.

20 Before I moved here, I worked at a country club
21 to save enough money to move here. When I moved
22 here, I lived paycheck to paycheck for many years.
23 Without any connections or help, I bootstrapped my
24 way to some success. I have years now of both
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 172

2 intricate experience of both tenant representation
3 and landlord representation.

4 While I'm glad that we have the data to codify
5 that the rents will go up, I can also speak from my
6 personal experience dealing with landlords. During
7 that two-week period there was confusion about this
8 ban in 2020, I called all my landlords, or they
9 called me and they said, "Great, raise the rent, 500,
10 700 bucks and make it no fee." This will price
11 people out of the apartments, and not only that,
12 it'll increase the value of the buildings for these
13 landlords, thus making them richer and widening the
14 wealth gap, which I thought was something you guys
15 weren't trying to do.

16 In recent weeks, I've had to watch the Councilman
17 push fallacies which are not based off fact and are
18 pure hyperbole, including that this bill will not
19 raise the rent, and also that my job consists of just
20 opening a door.

21 This type of hyperbole is a cheap attempt to
22 sucker people into thinking this bill will affect
23 positive change when it will really cause long-term
24 financial pain and even more mayhem in the housing
25 market and perhaps more inventory shortage. This

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 173

2 bill will hurt the very people the Councilman is
3 pretending it would help. And unlike the Councilman,
4 I do have real world experience in this field, as
5 well as the data to codify it.

6 I'm happy to answer any questions you have with
7 facts or real-world experience. I'm also very happy
8 to help be a part of the solution. This is not the
9 solution.

10 Councilman, you say you wrote this bill with
11 brokers. Myself, nor any of the top rental brokers
12 in the city heard from you. You picked and chose
13 people based on confirmation bias who are frustrated
14 with their own lack of success, as we previously
15 heard. Thank you. God bless America.

16 [APPLAUSE]

17 CHAIRPERSON MENIN: Next speaker. Next speaker.
18 Thank you.

19 MR. HOURIGAN: Good afternoon. Brian Hourigan
20 from BOND New York. The last time I was here in this
21 chamber, I spoke in defense of the hard-working real
22 estate professionals who pride themselves on
23 providing quality service, before also proposing
24 ethics reforms that would raise the bar in our
25 industry and improve transparency for consumers.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 174

2 This time, I feel compelled to speak out on
3 behalf of New York City renters and the public at
4 large, who would be irreparably harmed if this bill
5 should pass.

6 Intro 360 is the quintessential wolf in sheep's
7 clothing. It may sound reasonable to some who don't
8 understand the fundamentals of our market. The irony
9 of the bill, though, is that it will, in foreseeable
10 ways, raise costs, raise rents, reduce transparency,
11 promote unethical bait-and-switch techniques among
12 unscrupulous brokers, and actually increase the
13 prevalence of tenant-paid broker fees, as opposed to
14 lessening them.

15 My firm overwhelmingly represents tenants, and in
16 the last quarter, over 60% of the transactions we
17 worked on, we were hired by a tenant but paid by a
18 landlord, whom we did not represent, not by our
19 tenant client. Under this bill, that structure would
20 become illegal, and all those tenant clients would
21 have had to pay for our services.

22 While I don't have time to detail every other
23 negative consequence of the legislation, I'm
24 confident other industry experts can detail just how
25 this will cause the largest rent increase New York

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 175
2 City has ever seen, while obliterating consumer
3 choice, and demonstrate why this bill should actually
4 be called the Discriminators Delight Bill. It works
5 against the interests of our most vulnerable New
6 Yorkers, who are, of course, public assistance
7 voucher holders.

8 I think it's fair to say that every one of us in
9 this room agrees a city has a serious and worsening
10 affordability crisis which needs to be addressed in
11 thoughtful and meaningful ways. To those who are
12 concerned about affordability and equitable access to
13 housing, you and I are on the same team. We need
14 more affordable housing, and it must be built right
15 now. We need to protect the most vulnerable by
16 improving our archaic, bureaucratic, broken public
17 assistance voucher system right now.

18 And New Yorkers need and deserve the most well
19 trained, ethical, transparent and professional real
20 estate representatives in any market, anywhere, right
21 now, but there's much work to be done on that front.

22 Let's resolve to immediately introduce and adopt
23 a sweeping tenants Bill of Rights--

24 [BELL RINGS]
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 176

2 -- which elucidates precisely what choices
3 renters may have--

4 CHAIRPERSON MENIN: Okay. You need to wrap this
5 up.

6 MR. HOURIGAN: --when they enter the marketplace,
7 empowers them to make informed decisions --

8 CHAIRPERSON MENIN: Okay. That's--

9 MR. HOURIGAN: --and finally, holds accountable
10 any brokers, agents or landlords who act in good
11 faith--

12 CHAIRPERSON MENIN: You're going to have to wrap
13 it up.

14 MR. HOURIGAN: --[inaudible] obligations.

15 CHAIRPERSON MENIN: Okay. Shhh. I'm going to
16 call on Councilmember Brewer for questions.

17 COUNCILMEMBER BREWER: Thank you very much. So
18 Jason, I know that you have thought about this issue.
19 So if we are trying, everybody, to keep rents down
20 and do not have people pay these huge fees, don't
21 answer-- and I think you won't that we have to build
22 more housing. We know that. It's slow. What other
23 suggestions do you have to accomplish what we all
24 want?

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 177

2 MR. HABER: Sure. So instead of building
3 housing, right now, we have over 50,000 vacant units
4 in the city. If Albany allowed landlords to accept
5 Section 8 vouchers at the voucher limit, for example,
6 50,000 units go in one week. 66,000 homes were on
7 the market for sale in the country last week. This
8 would be like putting the entire country's housing
9 stock into New York City in an active market, and you
10 would alleviate immediately... immediately. And that
11 could be done in one day.

12 Those units right now are sitting vacant.
13 There's over 50,000 of them.

14 COUNCILMEMBER BREWER: Okay, so you're talking
15 about getting the Section 8 to go into the 50,000.
16 That's your answer? I just wanted to check to see
17 what it was.

18 MR. HABER: That's my answer.

19 COUNCILMEMBER BREWER: All right, thank you.

20 CHAIRPERSON MENIN: Okay. Councilmember Ossé.

21 COUNCILMEMBER OSSÉ: Yeah. I just-- I don't have
22 any questions. I just wanted to correct the record
23 that I never said that all brokers do is just open
24 doors.

25 MR. SANAI: You do. It's on Tictok.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 178

2 COUNCILMEMBER OSSÉ: On-- I did not do that.

3 [BACKGROUND VOICES]

4 MR. HOURIGAN?: You did. You said--

5 MR. SANAI?: It is on Tiktok.

6 MR. HOURIGAN?: --you need to open a door.

7 COUNCILMEMBER OSSÉ: Maybe someone else responded
8 to that.

9 MR. SANAI: You did, but...

10 [BACKGROUND VOICES]

11 [GAVEL REPEATEDLY]

12 COUNCILMEMBER OSSÉ: I think-- I think--

13 MR. SANAI: Don't gaslight me bro.

14 CHAIRPERSON MENIN: Please. Everyone needs to be
15 silent, thank you.

16 COUNCILMEMBER OSSÉ: And also it's not a
17 question, so you cannot respond.

18 MR. SANAI: You're lying.

19 COUNCILMEMBER OSSÉ: I believe brokers do provide
20 a valuable service, especially when the individual
21 party hires that broker. You know, I appreciated the
22 work that my broker did in finding me the perfect
23 apartment that I currently live in now. I just think
24 when the dynamic is forced upon people, it's an
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 179
2 unfair situation. That's what the purpose of this
3 bill is to do.

4 MR. SANAI: You said we get paid to open the
5 door. It's on Tiktok.

6 COUNCILMEMBER OSSÉ: That's-- That's what I
7 pushed. I would, I would, I don't remember saying
8 that. But-- But if-- if you do want to-- want to
9 uplift it for me at some point, that would be great.

10 MR. SANAI: It's in the one with the female
11 comedian, Alana. You said they get paid 15% and they
12 just opened the door.

13 COUNCILMEMBER OSSÉ: So, I think brokers provide
14 a valuable service. This bill is-- is, in my
15 opinion, not anti-broker. I worked with some brokers
16 who worked with me to do this.

17 I do want to also correct that, you know,
18 landlords don't set rent. You know, market forces of
19 supply and demand set rent. And I'm all for building
20 more housing. I've made very public statements about
21 that. I'm supportive of the government building more
22 housing. But at the same time, you know, this bill
23 is not reinventing the wheel. This is replicating
24 how this is done in every other major city in America
25 except for Boston. Chicago is a dense city. San

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 180

2 Francisco is a dense city. Los Angeles is a dense
3 city. And in those cities, they don't force tenants
4 to pay a broker fee.

5 MR. SANAI: Correct. But this is--

6 COUNCILMEMBER OSSÉ: I just wanted to correct the
7 record there.

8 MR. SANAI: --the greatest city in the world, and
9 things are done differently here.

10 COUNCILMEMBER OSSÉ: Thank you, Chair.

11 CHAIRPERSON MENIN: Okay. Thank you very much to
12 this panel.

13 MR. SANAI: Liar.

14 CHAIRPERSON MENIN: I'm now going to call the
15 next panel: Augustina Velez, Blanca Perez, and
16 Gladys Pugio[SP?]. We-- Just so everyone
17 understands the rules. There will be an interpreter
18 for this panel. The speaker gets two minutes, and
19 the interpreter gets two minutes to translate. Thank
20 you.

21 One second we're waiting for the interpreter.

22 INTERPRETER: Okay. I sit here just to interpret
23 for them, or no?

24 COUNCILMEMBER OSSÉ: I think we have one, yeah.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 181

2 CHAIRPERSON MENIN: Yes, we have one. Thank you
3 so much. Thank you.

4 Great. Please begin. First speaker. Okay,
5 please begin.

6 MS. PEREZ: Good afternoon. My name is Blanca
7 Perez. I live in [inaudible] Brooklyn. I am a
8 worker. I clean houses. Sometimes I have to clean
9 two or three houses in order to earn \$100. Rent is
10 already very expensive for me and for us, the
11 workers.

12 So for us, it is hard to pay the rent. We cannot
13 live alone any longer. We have to live between--
14 amongst other people. So to pay other people on top
15 of it is already a lot for us. It's stressful. I've
16 lived in this apartment for 25 years, and now that
17 they sold the house, I need to move. It's stressful.
18 It's too much money for me. I don't have a fixed
19 income. So, I live day to day, and I would be very
20 affected by this.

21 Thank you very much.

22 CHAIRPERSON MENIN: Thank you. And the next
23 speaker, please.

24 MS. VELEZ: Good afternoon. My name is Augustina
25 Velez.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 182

2 COUNCILMEMBER OSSÉ: Can we turn her mic on?

3 Thank you.

4 MS. VELEZ: I'm a mother of a family. I lived in
5 heights Queens for the last 17 years, and during all
6 this time because of the increase in rents I've had
7 to move several times, and also accept conditions
8 that are not the best, and this in part is because of
9 the extra costs that come with moving. If landlords
10 increase our rent and we cannot pay anymore, we will
11 have to move, and by moving, we will have to pay more
12 money in order to get a new apartment.

13 So, it seems we cannot get out of the circle
14 where people, working people like me, are taking more
15 and more money from us.

16 A few years ago, I had to move because the rent
17 was increased in my last apartment. In that
18 occasion, I needed more than \$6,000 for the first
19 month between broker and deposit, and also the move
20 costs and the installation of services.

21 In most businesses, the person who hires the
22 other person pays. And in the case of a broker, this
23 should be the person who hires the broker. It's
24 their responsibility to pay. Enough with these
25 injustices. So landlords have to pay for the work

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 183
2 and the services they use, and brokers should also be
3 demanding this as well. Brokers have shared that
4 they spend a lot of time traveling and the traveling
5 costs come from their own pockets, and they should
6 demand to be paid by that person who hires them. I
7 ask that my message be heard and a stop to this
8 unfairness. It's time for landlords to take
9 accountability and pay for the services, services
10 which they themselves decide to use.

11 On behalf of my family, and tenants around the
12 city, and also my community, I ask the City Council
13 to please approve the FARE Act, and those who hire
14 the other party should pay. Se puede, si se puede.

15 MS. PUGIO[SP?]: Good afternoon, everyone. My
16 name is Gladys Pugio. I'm giving the testimony of
17 someone else who couldn't come because she wasn't let
18 out of her work.

19 Okay. My name is Lydia Patricia Charia[SP?]. I
20 recently had to move from Bushwick with my husband
21 and my two children, because the rents are very high
22 in a gentrified neighborhood, and it has increased
23 financially because of the same housing industry.

24 We were forced to leave the community where we
25 were used to living, the school, my children's

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 184
2 school, our church, the supermarket, and the
3 community organization, Se Hace Camino Nueva York, of
4 which I'm a member.

5 During seven months, I worked tirelessly looking
6 for an apartment, looking for available places,
7 calling different numbers, et cetera, until I finally
8 found a good option for me and my family in Queens.

9 In order to move to this apartment, I was forced
10 to pay three months of the cost of the apartment,
11 which were the first month the security deposit and
12 the broker's fee, which was a total of \$6,750.

13 So I'm here because it is extremely difficult to
14 pay so much money to be able to move, and it is
15 unfair that working tenants have to pay so much money
16 to a broker, which we didn't even hire.

17 When I went to see the apartment, the broker was
18 in charge of the apartment.

19 This is what she's trying to say. For me, it
20 happened the same thing. When I moved to Bushwick,
21 we found in the newspaper that they were renting this
22 apartment. But when we got over there to see, there
23 was a broker there. I said, "I didn't call you. So,
24 who are you? Where's the landlord? Who's the
25 owner?"

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 185

2 And then they said-- they were telling me that if
3 I get the apartment, if I give three months. Nobody
4 has that money. People might have it, some others,
5 but not everybody.

6 CHAIRPERSON MENIN: Okay. I'm going to ask you
7 to wrap up and then questions.

8 Okay, so I think Councilmember Ossé has some
9 questions.

10 COUNCILMEMBER OSSÉ: Yeah. I guess the one
11 question that I have is: Do you feel that you, or
12 anyone that you know, whose primary language is not
13 English, is fully equipped with the knowledge and
14 resources to fully bargain and negotiate the broker
15 fee?

16 [TRANSLATOR TRANSLATES]

17 MS. PUGIO[SP?]: No. No. Because they come in
18 by surprise. They don't tell us that they were going
19 to charge us that extra month of rent for the broker.
20 Never told us. And they never told us that there was
21 a broker in charge of that. So, why do we have to
22 pay some services that we have not requested? That's
23 what she's trying to tell. Why do I had to pay
24 something that we-- we not requested. Nobody
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 186

2 requested. Nobody looked for that dollar amount to
3 pay somebody just to see an apartment.

4 COUNCILMEMBER OSSÉ: Right. Thank you.

5 MS. PUGIO[SP?]: The landlord could do that.

6 COUNCILMEMBER OSSÉ: Thank you.

7 MS. PUGIO[SP?]: All right?

8 CHAIRPERSON MENIN: Thank you very much to this
9 panel. Okay. Thank you very much. We're going to
10 call the next panel. Jesse Ronair, Bruno Ricciotti,
11 William Abramson, Mackenzie Ryan, and Jordan Silver.
12 Please come up. Thank you. yyy

13 Okay, please start.

14 [UNKNOWN SPEAKER] Okay. Got a shocker here for
15 everyone. If this bill passes, it is going to work
16 in reverse. It's going to significantly increase the
17 number of broker fee rental listings in New York
18 City. Whoever hires the broker must pay the broker.
19 This is the core language of the bill. And when
20 Councilman Oseé came up with this catch phrase, he
21 mistakenly thought that most rental deals were done
22 by hired brokers. The opposite. The opposite is
23 true.

24 My colleagues and I here estimate that around 75%
25 of all rental listings in the city right now are open

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 187

2 listings. That means the renter, according to the
3 language of this bill, the renter would be forced --
4 I hear the word forced a lot today -- In 75%
5 situations, the renter would be forced to pay the
6 broker fee, which is the high majority of all deals.
7 So, around three quarters of the market would lose
8 the option to pay the broker fee.

9 Right now the system works, because the owners of
10 these open listing rentals can ebb and flow with the
11 market. They can pay the broker fee when they want
12 to in the slow winter months, or if an apartment is
13 not renting, they can pay the broker fee. They have
14 that option.

15 This bill would take away that option, and it
16 would-- land-- it would become illegal for these
17 open-listing landlords to pay their broker because
18 they haven't hired him or her, and it would force the
19 renters to pay the broker. This bill is going to
20 work backwards.

21 And then let's cut-- let's talk about the other
22 25% of landlords that do right now hire brokers.
23 Sorry. But do you guys think they're going to sit
24 back and just let you force-- let themselves be
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 188

2 forced to pay the broker fee? No, they're going to
3 jump to the other side, add on to that 75%.

4 We anticipate this bill will result in a broker
5 fee listing market between 85% to 95%. That will
6 eliminate choice. [TO GALLERY:] Anyone agree with
7 me?

8 [TO COUNCIL:] I want to talk about one other
9 point quickly. The woman was sitting there, very
10 nice, in that seat next to Mr. Ossé. She talked
11 about, if the-- sometimes renters wouldn't mind
12 paying a little more rent.

13 [BELL RINGS]

14 And she said--

15 CHAIRPERSON MENIN: Okay. You need to wrap up
16 please.

17 [UNKNOWN SPEAKER]: The difference is hundreds of
18 dollars. A \$3,000 listing, the property is \$3,500,
19 no fee.

20 CHAIRPERSON MENIN: Okay. Thank you. You've got
21 to wrap up. Thank you. Okay, next speaker, please.

22 MR. RICCIOTTI: Hey everyone. My name is Bruno
23 Ricciotti. I'm the owner and co-founder of BOND New
24 York. Each regulation our industry has been subject
25 to has yielded awful unintended consequences. For

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 189
2 example, caps on security deposits did not and do not
3 protect tenants, but rather make it nearly impossible
4 for less-qualified applicants to secure an apartment
5 at all. Embarrassingly, this law created a cottage
6 industry where tenants now pay additional fees, as
7 high as a month's rent, to an insurance company to do
8 the exact same thing that the law prohibits.

9 Limits on capital improvements to make rent
10 stabilized apartments habitable resulted in tens of
11 thousands of these apartments being warehoused
12 offline and unavailable to the public, all during a
13 homelessness crisis where tens of thousands of New
14 Yorkers do not have homes.

15 In this same time period, New York has
16 experienced the sharpest increase in apartment rents
17 in history, with an average of nearly 30%, with some
18 rents nearly doubling in some neighborhoods.
19 Unlikely a coincidence and more likely, a causal
20 connection.

21 This is the recent legislative track record. No-
22 fee apartments are where the broker fee is included
23 in the rent, paid up front by the landlord. With all
24 other factors the same these rents are higher than
25 the rents with tenant paid fees. That's why over

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 190

2 half of the landlords choose to offer their
3 apartments this way without any mandate. These
4 landlords do this to achieve the highest rents
5 possible to satisfy their banks and investors.
6 Landlords who don't pay agent commissions are usually
7 mom and pops, who tend to be more interested in
8 keeping tenants, who plan to stay for several years
9 and prioritize community over the bottom line. These
10 are the best landlords a tenant can wish for but of
11 the very landlords who would suffer if Intro 360 were
12 to pass.

13 Commissions on tenant fee, apartments could be
14 negotiated and are attached to units with lower
15 rents. If this were not the case, no one would ever
16 choose to rent a tenant-fee apartment. Councilman
17 Chi demonstratively does not understand this.

18 We currently have a rental market full of choice
19 and diversity. No one is forced to pay a broker fee
20 up front. On StreetEasy today, there are 14,000
21 apartments available for rent, 54% of those are
22 offered no fee to the renter. The number is higher--

23 [BELL RINGS]

24 CHAIRPERSON MENIN: Please wrap it up.
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 191

2 -- and even higher in more normal economies.

3 Nearly 100% listed--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Okay. I'm going to ask you
6 again. You can submit your written testimony. We do
7 read that. So please, if you could submit your
8 written testimony, thank you very much.

9 MR. RICCIOTTI: Thank you.

10 CHAIRPERSON MENIN: Next speaker, please. Thank
11 you.

12 MS RYAN: Hi. My name is Mackenzie Ryan. I'm
13 born and raised in Manhattan and been an agent for 15
14 years. I began working in real estate when I was in
15 high school in the midst of the 2008 financial crisis
16 that I could earn money for my upcoming college
17 tuition. I posted ads on Craigslist. Climbed six-
18 story walk ups on sweltering summer days, and many
19 days, I walked home to West 98th Street from Alphabet
20 City to save whatever money I earned.

21 I graduated college in 2014 and have just paid
22 off my student loans from rental income and rental
23 deals that I did last March.

24 I'm a pragmatic and realistic person and at
25 heart, a deal maker. So, today, I would like to

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 192

2 discuss the reality of this rather vague deal and as
3 black and white of terms as possible by focusing on
4 three key components, the renters, the landlords, and
5 the agents, which, at the end of the day, can
6 ultimately be categorized as working New Yorkers.

7 Let's start with the landlords. We need to focus
8 on smaller landlords who have razor-thin margins and
9 use the majority of their building's income to
10 maintain and renovate the building. While many
11 landlords already pay the fee, what happens to those
12 that can't afford it? What happens to showing
13 apartments to landlords who live miles away and are
14 out of state?

15 The reality is, while the landlord is the one who
16 hires us, we do 90% of the work for the tenant. When
17 you leave the office at 6 p.m. and need a 6:30
18 showing, we are the ones who show up. When you need
19 to measure the apartment for the third time to make
20 sure your couch fits, we are the ones who show up.
21 When you have 20 questions about the lease, we are
22 the ones who walk you through it. We do the work for
23 the tenants just as much as we do for the landlords.
24 If a landlord becomes responsible for this process,
25 this will-- the outcome will be less access to

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 193

2 apartments and even less inventory and the renter
3 loses.

4 Now for the agents, having read Council's
5 platforms, almost all of you here today promise the
6 people of your district more jobs and more
7 affordability. This bill is a direct contradiction
8 of both. More than 70% of agents in New York are
9 renters, but more than that, they are single parents,
10 heads of their households, and graduates coming into
11 the economy.

12 Lastly, for renters, having read all 141 words of
13 this bill, not a single one of these--

14 [BELL RINGS]

15 CHAIRPERSON MENIN: Okay. I'm going to ask you
16 to wrap up.

17 MS. RYAN: Yup. My last sentence: Not a single
18 one of these words is development or rezoning.

19 CHAIRPERSON MENIN: Okay. Thank you. And next
20 speaker, please.

21 [UNKNOWN SPEAKER]: Good afternoon everyone. We
22 can all agree that New York City desperately needs
23 more affordable housing. However, the proposed bill
24 is like putting a band aid on a broken leg. First
25 off, the language is way too vague for real world

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 194
2 interpretation, which alone should render it null and
3 void.

4 For instance, the bill states, if you hire a
5 broker, you pay the broker. It's so simple, but it
6 really raises several questions: Can a broker be
7 hired by both a landlord and a tenant? What
8 constitutes the act of hiring? Will the city draft a
9 specific contract? And what will that contract look
10 like? There are too many unknowns to pass
11 legislation this ambiguous.

12 The FARE Act creates the image of consumer
13 protection, helping the little guy, when in reality,
14 all it does is restrict and remove consumer choice.
15 Like we mentioned, half of all listings on StreetEasy
16 are already no-broker fee. If you can't find
17 something in your price range, this is a
18 macroeconomic problem that requires careful nuanced
19 solutions.

20 Broker fees like prices fluctuate on market
21 conditions. This act is the beginning of a top-down
22 government controlled housing system similar to price
23 controls. Such artificial manipulation of the market
24 will lead to higher rent prices. Any reputable
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 195
2 economist will tell you that this type of legislation
3 has the opposite effect of its intended purposes.

4 Chi talked about basic economics, 101, I think we
5 need to go back and take that course again. Policy
6 needs to be analyzed in terms of the consequences
7 they create, rather than the hopes that inspire them.
8 This issue of price affordability boils down to
9 supply and demand. If we want landlords to pay more
10 fees and provide affordable housing, the solution is
11 not a quick fix. It requires the hard, deliberate
12 work of incentivizing construction and changes in
13 zoning regulations and programs encouraging more
14 building.

15 This is not a common sense bill. This is a
16 nonsense bill. Thank you.

17 CHAIRPERSON MENIN: Okay, thank you to this
18 panel. We are now going to move on to the next
19 panel. Thank you.

20 [UNKNOWN SPEAKER:] Mr. Ossé, no questions for
21 all of that?

22 CHAIRPERSON MENIN: Excuse me--

23 COUNCILMEMBER OSSÉ: No. I already responded to
24 some of your-- your talking points that I disagree
25 with, but no questions for this panel.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 196

2 [UNKNOWN SPEAKER:] I'd like to discuss.

3 CHAIRPERSON MENIN: Okay, thank you to the panel.

4 We're now-- We're now going to call the next panel.

5 So Gladys Kachinaya. And we need the interpreter,

6 please, has been requested. If the interpreter

7 could, please come back. Gali Davar, Achusa

8 Mazafari, Shasta Spicer, and Judith Goldiner. If you

9 could all please come up. Thank you.

10 Okay. Are the other panelists here?

11 [UNKNOWN SPEAKER:] I know that Achusa had to

12 leave because she works with me.

13 CHAIRPERSON MENIN: Okay. Achusa-- Okay, okay.

14 Let's take that. Okay. Okay, please begin. Thank

15 you.

16 MS. GOLDINER: Hi. My name is Judith Goldiner.

17 I'm the attorney in charge of the Civil Law Reform

18 unit at the Legal Aid Society, and I'm speaking in

19 favor of the FARE Act, which Legal Aid strongly

20 supports.

21 I want to speak particularly about low income

22 renters who find the combination of security deposit,

23 first month's rent, and broker fee basically

24 impossible to overcome, and we see that especially

25 with our clients who have either CityFHEPS or Section

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 197

2 8, because even if they can get assistance from HRA,
3 HRA will only pay half of the normal broker fee, and
4 that means that is-- the brokers will just not work
5 with our very-low-income clients.

6 The main issue here, for-- from our perspective,
7 is our clients and my colleagues, experience with
8 brokers is that the brokers-- it's not that the
9 brokers don't do work. They work for the landlords.
10 They screen tenants, they do background checks, they
11 look at guarantors, they gather information about the
12 tenants, but that is not a service to the tenants.
13 It's a service to the landlord.

14 Our only substantive comment on the bill is we
15 actually think what the bill should say very clearly
16 is that landlords pay. That what we're-- What we are
17 concerned about is that, given this market, and given
18 how little choice tenants have, if you say that the
19 person who hires the broker has to pay, that brokers
20 will just, as they do now, make tenants sign
21 agreements saying that they're going to-- that they
22 agree that they are the one hiring the broker and
23 they have to pay. And we feel very strongly that
24 it's the landlord who's getting the benefit of the
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 198

2 broker's experience, and the landlord is the one that
3 should pay.

4 Almost out of time. I really appreciate the
5 council and the leadership of Councilmember Ossé, and
6 we strongly support this bill. Thank you very much.

7 CHAIRPERSON MENIN: Okay, next speaker, please.

8 MS. DAVAR: Hi. Good afternoon. My name is Gali
9 Davar. I am a legal intern at Mobilization For
10 Justice. Mobilization for Justice envisions a
11 society in which there is equal justice for all. Our
12 mission is to achieve social justice, prioritizing
13 the needs of people who are low income,
14 disenfranchised, or have disabilities. We thank The
15 Committee for holding this hearing and considering
16 our testimony. Broker fees making NYC rental housing
17 unaffordable before renters even step foot inside.
18 The FARE Act is a step in the right direction to
19 lower upfront costs and alleviate the housing
20 affordability crisis so renters can move when and
21 where they want.

22 MFJ's clients have experienced the difficulties
23 of broker fees first hand. For example, AL, a mother
24 of three in the Bronx, had to move after having a
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 199

2 baby to a home more appropriate for her growing
3 family.

4 Even after obtaining government assistance to pay
5 for half the broker fee, she still needed \$1,700 to
6 pay the balance, which put her ability to move at
7 risk without the assistance of MFJ.

8 Jean M., a senior citizen on Social Security, had
9 to move when her lease expired. Even after she was
10 awarded a rent subsidy, the cost of broker fees was a
11 major barrier to moving, even as she faced eviction
12 and feared becoming homeless.

13 Many renters need to move for all kinds of urgent
14 reasons, like fleeing domestic violence or escaping
15 poor housing conditions, but broker fees contribute
16 to burdensome upfront moving costs that keep renters
17 locked into current apartments. Typical broker fees
18 are 12% to 15% of the annual rent, amounting to
19 thousands of dollars. Only 22% of New Yorkers can
20 afford these costs out-of-pocket.

21 For nearly three quarters of renters, high
22 upfront costs negatively affected their move,
23 impacting what homes they could afford, their desire
24 to move, or their ability to move.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 200

2 Further, broker fees disproportionately burden
3 low-income New Yorkers. Affordable and rent
4 regulated apartments are more likely to charge a
5 broker fee. When vacancy rates for affordable
6 apartments are below 1% then the choices are few and
7 far between, so those most economically disadvantaged
8 are the most exploited.

9 We urge the city to take this sensible measure to
10 reduce upfront costs, modernize the city's rental
11 market and improve housing mobility and accessibility
12 for vulnerable tenants.

13 [BELL RINGS]

14 CHAIRPERSON MENIN: Okay. Please wrap it up.

15 MS. DAVAR: Thank you.

16 CHAIRPERSON MENIN: Thank you. Thank you very
17 much. And next speaker.

18 MS. SPICER: Thank you. My name is Shasta
19 Spicer. I'm speaking on behalf of a tenant. I'm a
20 member of the Met Council. Thank you, Councilmember
21 Ossé, for calling this meeting and allowing the
22 public to speak. I appreciate your time today.

23 It's very unfortunate that the Administration who
24 was supposed to be here to provide valuable data for
25 us to properly inform, and to gain insight into their

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 201

2 position so that we can come to an honorable
3 agreement, is unacceptable and disrespectful to
4 everyone, especially to the renters who are deeply
5 affected by this housing crisis, in which the FARE
6 Act bill would greatly alleviate the burden upon them
7 during a time of need for housing.

8 There is an imbalance already in our economy, and
9 the fact alone is proof that everyone is at a loss
10 somewhere. Obviously, people cannot follow
11 directions. It is clear by the people who are absent
12 and the people making noise when asked not to. This
13 discussion is very juvenile, in my opinion, because
14 the hiring of the brokers should be left to the ones
15 doing the hiring.

16 We can sit here and talk about rents going up, et
17 cetera, but the housing crisis is the most important
18 because there are people's lives at stake by finding
19 housing that is affordable and also safe. And what I
20 mean by affordable is in regards to the amount of
21 income one is making. What I mean by safe, is that
22 tenants are not being scammed and taken advantage of
23 during a vulnerable time of life, such as moving or
24 finding a place to live.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 202

2 I see one thing happening here, and that is
3 brokers and landlords trying to find loopholes in
4 which they can prevent their own loss of their
5 financial standing when they are clearly in a
6 position to show care and common decency toward the
7 people they want services from. Getting rent from
8 tenant is us providing a service, let's be clear.

9 The economy is shifting, and so everyone needs
10 are different. And since we are in a crisis,
11 everyone has got to be open to facing challenges in a
12 way that addresses the needs of the crisis and not
13 the needs of people's pockets, because everyone is
14 losing. Thank you.

15 CHAIRPERSON MENIN: Thank you very much. Okay--

16 COUNCILMEMBER OSSÉ: I just have a question for
17 Judith. Have any of your clients, or any clients of
18 yours been impacted by the broker fee that you have
19 represented?

20 MS. GOLDINER: So many of our clients like-- have
21 stories like MFJ's clients. You know, they-- they
22 think they've won the lottery because they have a
23 Section 8 voucher, or they were finally able to get a
24 CityFHEPS voucher, and they think that's going to
25 allow them to move. And when they see what the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 203

2 broker fee costs are, they know that there is no way
3 they're going to move. And we--

4 [BACKGROUND VOICES]

5 COUNCILMEMBER OSSÉ: That's really respectful.

6 MS. GOLDINER: We certainly see that, you know--
7 and you know, HRA will only cover for some people.
8 And if they cover anything, it's about half the
9 broker fee. So, it's a significant burden on people.
10 We see people paying under the table for these fees,
11 because it's the only way they can do it, begging,
12 borrowing, putting themselves and their families at
13 risk, because that's the only way they can obtain an
14 apartment. And it's really very problematic.

15 I would-- I also want to add that during COVID,
16 landlords paid the broker fee, and once again, the
17 market didn't crash, didn't come to an end, and
18 there's no reason we can't have a system where the
19 landlord pays.

20 CHAIRPERSON MENIN: Okay. I just want to say
21 something. To be clear, everyone has their two
22 minutes. If you disagree with the speaker, you are
23 going to get your two minutes to voice your
24 disagreement, but shouting out or saying something
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 204

2 while someone is speaking is not tolerated during our
3 proceedings. Thank you.

4 COUNCILMEMBER OSSÉ: The second question I have
5 for you is: Real estate transactions can be a
6 contractual deal, and hiring a service, like hiring
7 brokers can involve a contract. From a legal
8 standpoint, do you feel that everyday-- everyday New
9 Yorkers, such as the folks you represent, are fully
10 equipped to negotiate down a broker fee?

11 MS. GOLDINER: Of course not. I thought the
12 whole "choice discussion" with prior panels was
13 farcical. The idea that the average person-- not to--
14 - You know, certainly my clients are not in a
15 position to negotiate that at all. And for almost
16 every tenant that I talk to, rich or poor, they are
17 told, "This is the deal. Take it or leave it."
18 These are contracts of adhesion. They don't have
19 options. And the idea that you can negotiate in this
20 market is simply ridiculous to me.

21 COUNCILMEMBER OSSÉ: I remember in one of our
22 past conversations about this, you've spoken about
23 the broker fee being a valuable service, or it has
24 been, or the broker being a valuable service that
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 205

2 they provide to tenants. How has that changed over
3 the past couple of years, would you say?

4 MS. GOLDINER: I mean-- I think what we talked
5 about is that the brokers are mainly a valuable
6 service to landlords, and we-- I totally understand
7 why it's a service that a landlord might want to use,
8 so that they don't have to screen tenants themselves,
9 they don't have to do that work. I completely
10 understand that. There is a certain number of
11 extremely wealthy tenants, who do not live in New
12 York, who may want to use a broker to go find them an
13 apartment when they don't live here. That is a
14 minuscule number of the people in New York who are
15 trying to find apartments. And frankly, I don't
16 think that's the group that we really need to worry
17 about. They will find what they need.

18 What we need to worry about is the everyday New
19 Yorkers, here every day, who need to find apartments.
20 And we need to make sure that that upfront cost is
21 not so ridiculous.

22 COUNCILMEMBER OSSÉ: Thank you, and thank you
23 Chair.

24 CHAIRPERSON MENIN: Thank you very much. Okay,
25 thank you to the panel. We're now going to move on

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 206

2 to the next panel, Iris Corcos, Nancy Elton,
3 Christina Cremidas, Lynn Gregg, and Barbara Ann
4 Rogers. Please come up. Thank you.

5 Please begin. Thank you, sure. Just yeah, press
6 the button so the red light is on. Thank you.

7 [UNKNOWN SPEAKER]: Okay, so first of all, I
8 wanted to-- to mention that I am an everyday New
9 Yorker. I am also a person who's renting, who's
10 who's working here. So, just like everybody else who
11 was speaking before about the every-- everyday New
12 Yorkers, they were actually speaking about me as
13 well.

14 And I had a whole different speech, but I'm going
15 to tweak it, because my colleagues already said most
16 of it, so there's no point in repeating. But I do
17 want to point out that when Mr. Keith powers
18 sponsored the bill in 2019 about limiting-- limiting
19 how much landlords can charge for security, actually
20 it caused a whole big problem afterwards, because
21 people that don't qualify, like people that don't
22 earn enough money, people that don't have good
23 credit, international students, international
24 employees that come working to work for Bloomberg but
25 have zero credit history, cannot rent.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 207

2 What does that do? They have to take-- And they
3 don't have personal guarantors. They have to hire
4 third-party guarantors. That's-- They have to
5 resign for with third-party guarantors every time
6 they renew. Every time they renew their lease, they
7 have to sign for that, and it could be just as much
8 as the apartment itself.

9 So, when-- If they would be charged three months
10 or four months security deposit, they would get that
11 money back. And many of them did after one year of
12 living in the in the building, landlords refunded
13 some portion of it. That's not the case with third-
14 party guarantors. Right now, I'm working with two
15 students of minority origin that they work, they
16 full-- they go to school full time. They ran out of
17 money. They ran out of money because to resign for a
18 rent-stabilized department. They had to pay the
19 guarantors again. And I received-- Now they are
20 facing-- they're late on the rent. Guess who's
21 helping them? The broker.

22 [BELL RINGS]

23 CHAIRPERSON MENIN: Okay. Thank you.

24 [UNKNOWN SPEAKER]: I want you just to mention
25 one more thing, if you if you'll allow me.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 208

2 CHAIRPERSON MENIN: Yeah. Please, we again--

3 [UNKNOWN SPEAKER]: A short sentence.

4 CHAIRPERSON MENIN: Again, we have to run an
5 additional hearing. We treat everyone exactly the
6 same.

7 [UNKNOWN SPEAKER]: I just want to point out
8 something very important.

9 CHAIRPERSON MENIN: Just if you could please
10 submit your testimony. Again, we need to stick to
11 the two minutes. Okay.

12 [UNKNOWN SPEAKER]: Can I just say one more
13 thing?

14 CHAIRPERSON MENIN: I'm sure if there are
15 questions, you could. But again, we're going to do
16 two minutes per speaker. Okay? If we could have the
17 next speaker, please. Thank you.

18 MS. KREMIDAS: Hello. My name is Christina
19 Kremidas. I'm an Associate Broker at Douglas Elliman
20 Real Estate. I've been a real estate professional
21 for nearly a decade, and I first-hand saw the New
22 York City housing crisis, which always has been in
23 existence, get majorly exacerbated in the past few
24 years following the pandemic.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 209

2 When the 2020 pandemic drove a lot of renters out
3 of New York City, apartments were vacant. The people
4 who actually capitalized on vacant apartments and
5 took these units for slashed prices were
6 surprisingly, out-of-state people who had never
7 previously lived in New York City. These people were
8 well-employed, and they could finally have their
9 dream of a luxury pied-a-terre, luxury lifestyle
10 pied-a-terre in Manhattan. They could finally
11 justify it. They couldn't before.

12 We all thought that these people would move out
13 once rent returned to market price. They
14 surprisingly renewed. They're still here, and they
15 have tied up inventory for New Yorkers who need it.

16 In addition, buyers who are supposed to be ready
17 to buy by now, due to a very difficult economic
18 situation with rampant inflation and high interest
19 rates, can't buy. They are still renting. These
20 first-time home buyers are still stuck in rentals.
21 There is no inventory to go around. And I know that
22 there was already a conversation about the fact that
23 this is a inventory shortage of apartments, and I
24 know that there was already a response that this is
25 difficult to solve. It takes time to solve. But

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 210

2 just in my few-block vicinity where I live, there are
3 lots that went from empty to 100 story skyscrapers
4 with luxury finishes that were imported from Europe
5 in just a couple of years.

6 So, I think that building can be possible with
7 the right incentives. And why-- why is it so slow to
8 create this new housing? But now we are in the worst
9 crisis because of the prior two scenarios that I just
10 mentioned. We have-- This has bubbled up to the
11 surface as the worst crisis that we've had in
12 inventory since 1968. When there's a balance between
13 supply of units and demands for apartments, there is
14 a much more balanced playing field where landlords
15 offer incentives to tenants.

16 [BELL RINGS]

17 CHAIRPERSON MENIN: Okay. Thank you. Thank you
18 very much. Okay, next speaker, please. Thank you.

19 MS. ELTON: Hello. My name is Nancy Elton. I'm
20 a real estate professional with BOND New York and a
21 resident of District 2. The last time I had the
22 privilege of testifying in this chamber, I learned a
23 new phrase, "rent burdened." According to the US
24 Department of Housing and Urban Development, or HUD,
25 "rent burdened" is defined as paying more than 30%

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 211

2 monthly gross income in gross monthly rent. Severely
3 rent burdened more than 50%. [TO GALLERY:] By a show
4 of hands, how many in this chamber are rent burdened?

5 [TO COUNCIL:] Okay, one thing we know is for
6 certain, is that there is more that we agree about
7 than we disagree. Rent is too high. As a native New
8 Yorker such as myself, rent has become a nightmare.
9 We must set the tide of our housing crisis, where in
10 only one week, over 630,000 applications were
11 submitted to the New York City Housing Authority for
12 Section 8 housing assistance.

13 Number two: Vacancy rate is extremely low, not
14 going to go through it and belabor it, but housing is
15 being warehoused, and right now we're seeing bidding
16 wars where rental rates of already overpriced
17 departments are having bidding wars, outpacing many
18 consumers' ability to afford them.

19 Number three: Transparency benefits the
20 consumer. When we advertise for landlords, we
21 provide transparency and readily available resources
22 to provide information. Let's not create a scenario
23 where landlords permanently bake fees into monthly
24 rent, with higher rent becoming the foundational
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 212
2 rent, and tenants end up paying for the fee over and
3 over and over again every year.

4 Number four: Our most vulnerable need a housing
5 solution that works. I spoke with a caseworker on
6 Friday where we agreed and vented with each other
7 that the system is broken. Everyone is justifiably
8 frustrated -- caseworkers, landlords, agents, and
9 most importantly, the human being, the fellow New
10 Yorker that just wants a home.

11 For months, I've been scratching my head trying
12 to figure out just what the prime sponsor intends
13 with the proposed amendment. Only two lines. Sounds
14 reasonable. The sponsor even created that catchy
15 acronym.

16 [BELL RINGS] But as you've heard today, there is
17 far more nuance--

18 CHAIRPERSON MENIN: Okay. Thank you. If you
19 want to submit-- you need to wrap up.

20 MS. ELTON: --and I urge you do not be led by
21 this deceptively simple, or simply deceptive
22 proposal.

23 CHAIRPERSON MENIN: Okay, next speaker.

24 MS. ROGERS: Good afternoon. I'm Barbara Ann
25 Rogers. I'm an Associate Broker with Compass. I've

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 213

2 been in real estate for almost 20 years now. I live
3 in Brooklyn where I also do most of my work. I have
4 lived in Brooklyn for 30 years.

5 Yes, I have seen neighborhoods change. I have
6 seen my neighbors forced to move because they
7 couldn't afford the rent. Broker's fees are the
8 least of New Yorkers problems. It's not the broker's
9 fee that's keeping people from being able to live
10 where they want to. It's the rents in general.

11 Intro 360 will only increase these rents further
12 by pushing those fees to be added to rent, as we've
13 seen. And as people have said, Oh, but rent
14 stabilized apartments, they can't do that. Well,
15 that amount of rent stabilized increase is set every
16 year, as everyone knows by the rent guidelines board.
17 Don't you think if this passes that those rent
18 stabilized landlords will now have additional
19 ammunition to get an even higher rent increase,
20 because they're now paying brokers fees? And that is
21 going to apply to each and every rent-regulated
22 tenant, whether they are moving or not.

23 This unfortunate bill is not going to have the
24 effect it seeks. And I would also state that I don't
25 care who said it: Brokers do way more than just open

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 214
2 doors. The amount of service I provide to my clients
3 is extreme. Yes, the renters: They may not have
4 hired me, but I am giving them service, and that goes
5 from helping them with their applications, to
6 advising them on how to handle the move, and yes to
7 negotiating commissions. I do negotiate commissions,
8 and I mostly do negotiate them downward.

9 So, this bill, unfortunately, well-intentioned
10 though it may be, will have the exact opposite
11 effect. Thank you very much.

12 CHAIRPERSON MENIN: Thank you. And we have one
13 more-- You are on the panel, sir. Your name is...?
14 Sorry, I can't hear.

15 MR. LYNN: My name is Greg Lynn.

16 CHAIRPERSON MENIN: Oh, okay. Please proceed.
17 Thank you.

18 MR. LYNN: Sure. So, good afternoon. Happy
19 Pride for those of you that are actually celebrating
20 it, to you Chi. My name is Greg Lynn. I am a 20-
21 year resident and neighbor of Hell's Kitchen and CB-4
22 constituent.

23 Unlike most of the people in my industry, the
24 intro is marked-- Sorry, let me rephrase. The Intro
25 360 is marketed to be an easy and no-brainer solution

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 215
2 to the community and growing affordable housing
3 crisis. However, the bill is detrimental. There are
4 over 20,000 real estate licensed agents in New York,
5 as you, Chair Menin, mentioned earlier.

6 I've listened over and over to all the comments
7 that you've asked and all the questions. I am
8 frustrated as well. We are in a system that is
9 broken. We are in an affordable housing crisis. But
10 the individuals that are-- you are attacking right
11 now, the residential agents that are here, that are
12 validating, are the good ones. Our industry is
13 flawed.

14 I came from regulatory and compliance for a
15 Fortune 500 company to help with housing. That is my
16 job every day. I represent condo owners and Co Op
17 owners. I tell them fair housing is important. You
18 cannot deny housing to people because you choose that
19 you want them to look like this or have this much
20 money in their bank account. It is not right. We do
21 more for a tenant than anyone ever understands. We
22 pick up the phone at 3 a.m. when the refrigerator is
23 not working, when the air conditioning is not
24 working, and our clients are in China, okay?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 216

2 We are the face of tenants, and in some cases, we
3 do get paid up front. And unfortunately, that is the
4 way in which it is currently, right now, with the
5 system: A payment program across over a period of
6 time? Brokers would be happy for to do, if that's
7 necessary, if that's allowable from a firm.

8 I think again, co-ops and condos should not be
9 included in this bill. If you're referring to
10 landlords, we can talk again. I want to work this
11 out. Thank you.

12 CHAIRPERSON MENIN: Okay, thank you to the panel.

13 COUNCILMEMBER OSSÉ: Can I say something?

14 CHAIRPERSON MENIN: Councilmember Ossé?

15 COUNCILMEMBER OSSÉ: Yeah. Just-- Just for the
16 record again. You know, I-- I appreciate the work
17 that that some brokers do, all right? I think we--
18 we acknowledge the fact that there are-- some people
19 would say some bad apples, but I would say that
20 there's a decent amount of bad apples out there, as
21 I've heard from my constituents and many people who
22 have spoken.

23 And the intention of this bill is to not put good
24 brokers out of business. And I believe that those
25 good brokers that have a great client base, that have

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 217

2 worked well within their decades of service, will

3 still be hired after the passing of this bill.

4 People will understand that they provide that

5 valuable service that we are talking about today. I

6 believe that this bill would weed out those who take

7 advantage of folks who are looking for housing.

8 MS. KREMIDAS: Can I just say that we would

9 welcome legislation that focused on weeding out bad

10 apples?

11 COUNCILMEMBER OSSÉ: This is what this

12 legislation is. So, I believe that the work that you

13 do--

14 MS. KREMIDAS: No. I doesn't weed out bad

15 apples.

16 MS. ROGERS: It's a blanket--

17 COUNCILMEMBER OSSÉ: If your work is valuable--

18 I believe that if your work is valuable, your clients

19 acknowledge that and will still hire you after this

20 bill is passed.

21 MS. KREMIDAS: It's a blanket--

22 COUNCILMEMBER OSSÉ: They just won't be forced to

23 pay the fee.

24 MS. KREMIDAS: May I please say something that

25 hasn't been directly addressed?

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 218

2 COUNCILMEMBER OSSÉ: Thank you.

3 MS. KREMIDAS: There-- The landlords that will
4 pay their brokers and continue to pay is not the--
5 are not the landlords that are the issue here that is
6 creating the problem. These--

7 CHAIRPERSON MENIN: Okay.

8 MS. KREMIDAS: These-- These landlords--

9 CHAIRPERSON MENIN: Thank you.

10 MS. KREMIDAS: They will discriminate if they
11 don't have a third-party--

12 CHAIRPERSON MENIN: Councilmember Ossé directed a
13 question--

14 MS. KREMIDAS: --advocate in between the tenant
15 and the landlord. Unconscious bias very much exists.
16 These are also people that don't want to--

17 CHAIRPERSON MENIN: Okay. Just to be clear.
18 There's rules around question and answer. So,
19 Councilmember Ossé asked a question which was
20 answered, that we--

21 COUNCILMEMBER OSSÉ: I didn't ask-- I didn't ask
22 a question.

23 CHAIRPERSON MENIN: You didn't ask?

24 COUNCILMEMBER OSSÉ: No.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 219

2 CHAIRPERSON MENIN: Okay. Okay. All right.

3 Thank you very much to the panel.

4 [UNKNOWN SPEAKER]: We also tip the servers in
5 the restaurant. We're not the ones hiring them.

6 CHAIRPERSON MENIN: Thank you. Thank you to the
7 panel. We are going to go on to the next panel.

8 [UNKNOWN SPEAKER]: Will other members be joining
9 us to answer questions as well?

10 CHAIRPERSON MENIN: I'm sorry. We're moving on
11 to the next panel. We're moving on to the next-- I
12 did not hear actually what you said, but we're going
13 to move on to the next panel.

14 We've got a zoom panel. Ashley Chen, Mark
15 Burnett, and Ajitfanta Marena, and Alexandra
16 Martinez. Thank you.

17 SERGEANT AT ARMS: Time has started.

18 MS. CHEN: Thank you, Chair Menin and members of
19 the City Council for the opportunity to testify. My
20 name is Ashley Chen, and I'm the Policy Analyst at
21 the Chinese American Planning Council, CPC.

22 CPC is the largest Asian-American social service
23 organization the US providing vital resources to more
24 than 80,000 people per year in all five boroughs
25 through more than 50 programs at over 30 sites.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 220

2 CPC strongly supports the Fairness in Apartment
3 Rentals Act, FARE, which would require the party who
4 hired the broker to pay the broker fee.

5 CPC serves a large immigrant population, and it
6 is crucial that we acknowledge that immigrant New
7 Yorkers face disproportionate housing barriers.

8 During the COVID 19 pandemic, we surveyed over 1000
9 AAPI New Yorkers, and we found that 26% of
10 respondents needed help with housing, and 26% needed
11 help with utility bills. However, this was an issue
12 even before the COVID 19 pandemic, with immigrants
13 more likely to be increasingly rent burdened, live in
14 overcrowded spaces and live in substandard conditions
15 that don't receive regular maintenance.

16 However, even when our community members find
17 housing that is suitable for them, they are subjected
18 to astronomical and unfair brokers fees. It is
19 unconscionable in one of the wealthiest cities in the
20 world that we're continuing to prey on low-income and
21 working class families, and the affordability crisis
22 is driving New Yorkers out of the city.

23 The Fiscal Policy Institute recently reported
24 that households with young children are 40% more
25 likely to leave our state and two times as more

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 221

2 likely to move out of New York City. This is due to
3 the high cost of living, especially with the
4 Administration's cuts to childcare and increasing
5 housing costs.

6 In order to address the housing affordability
7 crisis and empower working class New Yorkers, we need
8 to immediately pass the FARE Act.

9 We thank you for the opportunity to testify, and
10 for the Councilmember Ossé's leadership, and we look
11 forward to working with The Council to ensure the
12 passage of this bill.

13 Thank you for your time.

14 SERGEANT AT ARMS: Time has started.

15 CHAIRPERSON MENIN: Next speaker, please?

16 [inaudible]

17 CHAIRPERSON MENIN: Yes, please go ahead. Thank
18 you.

19 MS. MARTINEZ: Okay. Perfect. Hi everyone. My
20 name is Alexandra Martinez. I am a Project Manager
21 for the New York City Economic Development
22 Corporation, and I came here to state that I'm in
23 full support of the FARE Act. I have heard
24 continuous testimonies today stating that over 50% of
25 the no-fee apartments listed are actually no fee, and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 222
2 that we are able-- we have choice as a tenant,
3 because we are able to negotiate. And at least I
4 feel like that was painfully clear, that that's a lie
5 based off my experience. I have been in search of a
6 two-bedroom apartment with my roommate, an elementary
7 school teacher. We are blessed enough to be middle
8 income, which I feel like is important to state. And
9 during this search, we found a no fee apartment on
10 StreetEasy. As we arrived, there were 20 other
11 visitors there. We met an agent, and we-- the agent
12 told us that we needed to put down \$1,000 deposit for
13 good faith that goes toward a security deposit. We
14 talked to him. We gave a deposit that same day,
15 because, as anyone knows, I think someone said
16 earlier, that is like The Hunger Games. The Hunger
17 Games is probably like a kids show compared to what
18 New York City is like.

19 And well, we did that. We came-- The broker--
20 The broker told us that there is actually a broker's
21 fee after we handed our non-refundable \$1,000. So we
22 felt pressured to proceed, and we were scrambling to
23 pay for a service we never requested.

24 And on top of this, we were then approached with
25 an application fee, a listing fee, a leasing fee,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 223

2 wiring fees to send that money, which pushed our
3 moving cost to almost \$8,500. She's an elementary
4 school teacher. I'm a New Project Manager, and it
5 wasn't the fact that it was just expensive. It felt
6 predatory, and exploiting our lack of knowledge.

7 Again, a lot of the agents that spoke today
8 stated that, "Well, there's rules and regulations
9 around this," and that we should have known. We did
10 not know, okay? We saw the apartment that we liked,
11 and we went for it.

12 The current system is clearly broken. A lot of
13 these-- a lot of these listings are misleading and we
14 have no power to negotiate. And this--

15 SERGEANT AT ARMS: Time is expired. Thank you.

16 COMMITTEE COUNSEL: There's one more.

17 CHAIRPERSON MENIN: Okay. Sorry. There's one
18 more speaker on the Zoom panel.

19 SERGEANT AT ARMS: Your time has started.

20 MR. BURNETT: Thank you City Council and
21 Councilmember Ossé for sponsoring and popularizing
22 this bill. My name is Mark Burnett, and I'm a
23 lifetime resident of New York, hailing originally
24 from Jamaica Queens. I now live in Brooklyn, having
25 moved twice in the past six years, and I can attest

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 224

2 that the FARE Act would have made those experiences
3 those experiences far easier for me.

4 One example is at the outset of the application
5 process for my current apartment in Weeksville,
6 Brooklyn. I was told there would be no brokers fee
7 for the unit. Once my application was approved, just
8 a week before I was to leave my last apartment, my
9 responsibilities were laid out. It was first month's
10 rent, security deposit, both of which I expected, and
11 two surprise fees. I was told there'd be a pet
12 deposit of \$1,200 and a broker's fee equal to one
13 month of rent at \$2,500 bucks.

14 I was profoundly privileged to be able to afford
15 those surprises, but they nearly doubled my expenses
16 at the last minute and caused me to pay the surprise
17 broker's fee and installments. And I didn't even
18 have time to think about the recourse for the fact
19 that the fee was a surprise either. I needed a place
20 to stay. And this was all before the cost of moving
21 supplies and utilities.

22 I'm currently looking for a new apartment with my
23 girlfriend, who's had similar troubles when she first
24 moved to New York a couple years ago. Her
25 responsibilities for moving were first and last month

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 225
2 of rent, security deposit and a surprise broker's
3 fee, yet again, bringing her total to a whopping
4 \$15,000. Worse yet, at her next apartment, she had a
5 broker's fee held over her head as the only
6 alternative to a bidding war on rent. But I think
7 that's a story for another bill.

8 At the very least, we need legislation like the
9 FARE Act to protect tenants looking to buy their way
10 into shelter, which we should regard as a human
11 right. Rent prices are rising, wages on average,
12 aren't beating out inflation and the cost of living,
13 and all this spells disaster for renters. This bill
14 would be just one step towards leveling the playing
15 field and keeping landlords honest as they seek new
16 tenants. Thank you all for your time. Thank you
17 again, Councilmember Ossé, and Free Palestine.

18 CHAIRPERSON MENIN: Okay, thank you very much.
19 We are now going to call the next panel. Naomi
20 Alzenki (sorry if I'm-- it's a little hard to read
21 the writing), Evan Osar, Jed Wilder, Priscilla
22 Jacobs. Please come forward. Thank you.

23 Okay, thank you. If you could please begin.
24 Thank you. Okay. Okay, yes. Please begin. Thank
25 you.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 226

2 MR. WILDER: My name is Jed Wilder. I work at
3 Living New York as a real estate agent and run a team
4 in which we represent approximately 1500 units
5 throughout the city, potentially the largest
6 portfolio of any agent in the city. I'm not saying
7 this to brag, but in an informative manner,
8 utilizing-- by utilizing this large sample size at my
9 fingertips.

10 I've been in the business since 2012. I have
11 many landlords that choose to pay the commission, but
12 only because they're making the smart move for
13 themselves, as they know they can add 8% to 10% to
14 the asking rent, and that can be much-- and then it
15 will be much higher on renewal. This bill is a
16 detriment to affordability, not helpful.

17 I have a conversation daily with owners about
18 this, and yesterday, spoke to an owner of a building
19 on East 81st Street, and this was how the
20 conversation went: We can get \$4,400 for this
21 apartment with you paying the fee, or if the tenant
22 pays the fee \$4,000. Let me know your thoughts. He
23 chose the \$4,400, 10% higher, and then on a renewal,
24 that will be 10% higher. Qualifying for apartments
25 will also become an issue with the higher prices,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 227

2 because it will be harder to beat the 40-times-the-
3 rent standard criteria.

4 Additionally, my average team member makes about
5 only \$50,000. I have a family and three kids, and
6 this is my livelihood. This bill not only has a
7 negative impact on the affordability of housing, but
8 will majorly affect the lives of many people like
9 myself and my team.

10 As opposed to closing your eyes and passing the
11 bill because you've gotten this far, and have passion
12 about your work, which I appreciate, I can assure you
13 that it may be better to-- it will be better to not
14 pass the bill and look at the details of what's
15 better or worse for New York City renters. Thank
16 you.

17 CHAIRPERSON MENIN: Thank you. Next speaker,
18 please.

19 MR. OSUR: Honorable members of the New York City
20 Council, I hope you will ask questions like you do
21 for the panels that support this bill. Thank you for
22 allowing me to speak today. My name is Evan Osur,
23 and I'm an Associate Broker and run the largest team
24 at Living New York. When is enough enough? When
25 will people focus on the real causes of housing

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 228

2 affordability, rather than the politically easy way
3 out?

4 Scapegoating real estate agents is not the
5 solution. There are over 30,000 agents in New York
6 City making less than \$55,000 with no benefits, no
7 health care, no 401K, no nothing. We are the
8 definition of the working class, blue collar people,
9 despite what shows like Million Dollar Listing might
10 have you believe.

11 The question before us today is not to discuss
12 whether broker fees are right or wrong, or why New
13 York City has broker fees and other cities don't.
14 Keep in mind we are the only city in the country that
15 doesn't have an MLS. The question is: Will this
16 bill increase or decrease the cost to renters? It
17 will certainly increase.

18 Look, I understand on a very basic level, people
19 might attribute a one-time broker fee to increased
20 cost of rent. However, the reality is, this bill
21 will tack on a broker fee every year. It will
22 continuously renew. For example, an apartment cost
23 \$3000 with a broker fee. After this bill cost \$3400
24 with no broker fee, the landlord will bake the broker
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 229

2 fee into the cost then upon renewal, rather than
3 increase on \$3000 increase on \$3400, year after year.

4 Some say this increase is tolerable because the
5 upfront costs are too painful. But what's not okay
6 is convincing renters that saving a little today is
7 worth mortgaging their future to pay significantly
8 more, starting one year out. How shortsighted.

9 Please understand the real reason why the city is
10 unaffordable is due to a supply issue. There's not
11 enough housing. If you want to actually solve the
12 problem, add more housing, convert unnecessary office
13 space into affordable housing, and stop making it so
14 hard for landlords to run a business, so much so that
15 we have 88,000 warehoused departments that are
16 sitting vacant, that would immediately bring down the
17 cost of rent.

18 Once supply increases, you will see broker fees
19 going dramatically down, and there will be a natural
20 balance. This bill will make supply even more tight,
21 because owners will prefer to renew their tenants
22 rather than going to market and paying a broker fee,
23 which will tighten the supply even more.

24 [BELL RINGS]

25 Keep in mind, we pay \$7 per day, per listing--

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 230

2 CHAIRPERSON MENIN: Okay. Thank you.

3 MR. OSUR: --for rights to advertise on
4 StreetEasy.

5 CHAIRPERSON MENIN: If you want to submit your
6 testimony--

7 MR. OSUR: Should we ban waiters? Should we pay-
8 -

9 CHAIRPERSON MENIN: Okay. You have to wrap up.
10 Thank you. Okay, next speaker, please. Thank you.

11 MS. JACOBS: Good afternoon. My name is
12 Priscilla Jacobs, and I've been a real estate agent
13 with EXP Realty since September of 2022. I was born
14 and raised in Brownsville, Brooklyn, New York, where
15 I still reside. Last week, I took a mandatory
16 course-- class, sorry, to renew my license on fair
17 housing that was taught by Neil Garfunkel. Mr.
18 Garfunkel serves as Broker Council to Real Estate
19 Board in New York. He began that class by stating
20 that shelter is one of the most basic of human needs.
21 It's really important for human beings to have a
22 sanctuary to come home to. This bill threatens the
23 ability of people to acquire homes and apartments.
24 By eliminating broker fees, you would make it so much
25 harder for agents to get paid, causing confusion, and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 231
2 many of us would leave this industry. Landlords
3 would list properties themselves or choose not to
4 work with agents, leading to less transparency in the
5 process. This would impact housing access with a
6 higher base rent, more renters won't meet the 40X
7 income requirement to qualify, coldly leaving many
8 New Yorkers out on the streets. The homeless
9 population could increase as a result.

10 I'm not a lawyer, but it seems to me that if this
11 bill becomes law, it would violate fair housing laws,
12 whose purpose is to give everyone the right to live
13 wherever they choose.

14 There is so much more to my job than just opening
15 doors for people. Back in 2022, when I first became
16 a realtor, I thought that this job would be easy,
17 easy for me to do. I quickly found out that being a
18 real estate agent is very difficult because this job
19 requires so much effort and patience.

20 I assisted my client with finding a home-- with
21 finding homes, negotiating with sellers for more than
22 a year without receiving a single penny. I
23 understood why agents were leaving this industry,
24 leaving this profession in droves during 2023. I
25 also sent a resignation letter to my broker, but

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 232

2 something told me to hold on. So I rescinded my
3 resignation and resumed my search, combing through
4 every listing that would pop up on my database.

5 On February 6, I gave my clients the keys to a
6 dream home and received a miniscule commission check,
7 which did not compensate me enough for a year and a
8 half of arduous work.

9 [BELL RINGS]

10 I injured my knee last weekend, but I'm still
11 here because this bill threatens my dream of
12 succeeding as a real estate agent.

13 CHAIRPERSON MENIN: Okay. You need to wrap up.

14 MS. JACOBS: Okay. I'm wrapping up.

15 CHAIRPERSON MENIN: If you want to submit your
16 testimony, that's fine.

17 MS. JACOBS: At EXP Realty, my brokers give
18 weekly compliance meetings where agents are
19 constantly told that the best way--

20 CHAIRPERSON MENIN: Okay. Thank you. Thank you
21 for your comments. Thank you very much. I just want
22 to say, when people are speaking, if you disagree
23 with them, please do not laugh. It is very
24 disrespectful in this chamber. You'll have your two
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 233

2 minutes. You can voice your disagreement then.

3 Thank you. Okay, last speaker on the panel.

4 MR. BURKE: Good afternoon. My name is Ausar
5 Burke. I'm an organizer with Churches United for
6 Fair Housing, a grassroots organization dedicated to
7 fighting for affordable housing for all New Yorkers.
8 Today I'm here to speak in strong support for the
9 FARE Act. As someone who works closely with working
10 class New Yorkers, I have witnessed firsthand how
11 broker fees act as a significant barrier-- barrier to
12 support securing affordable housing. These fees,
13 often equivalent to one month's rent or more, create
14 a huge financial burden for tenants who are already
15 struggling to make ends meet. For many, paying a
16 broker fee means diverting funds from essential needs
17 such as food, healthcare, and education.

18 The FARE Act is a necessary step towards
19 eliminating these unjust broker fees and ensuring
20 that all New Yorkers have a fair chance at finding
21 safe and affordable housing. By supporting this
22 legislation, we can alleviate the financial burden on
23 working class tenants, increase housing stability,
24 and promote greater equity in our housing market.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 234

2 In conclusion, I urge you to support the FARE Act
3 and stand with us and fight for fair housing. Let us
4 work together to remove these unnecessary barriers
5 and create a more just and equitable New York for
6 all. Thank you.

7 CHAIRPERSON MENIN: Okay, thank you to the panel.
8 Councilmember Ossé, has questions.

9 COUNCILMEMBER OSSÉ: I-- I know that there will
10 be future testimonies about this, about how the
11 passing of this bill would increase rents, and I just
12 want everyone listening in the room, and online, and
13 in future communication that this is a talking point
14 that has specifically come from the Real Estate Board
15 of New York.

16 Now the Real Estate Board of New York represents
17 landlords, developers, people who, you know, affect
18 the rent that each and every single one of us pays in
19 this room. Not once have I seen the Real Estate
20 Board of New York mobilized 1500 people to show up to
21 a rent guidelines board meeting to push back against
22 the rents that they increase in those meetings. It's
23 interesting that now they care about the increasing
24 in rent and they're showing up to this bill hearing.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 235

2 In addition to that, I would like to dispute some
3 of the false claims that this will increase rent.

4 One: No one's talking about this, but nearly half--
5 specifically 44% of New York City rentals in New York
6 City are rent stabilized. Again, it would be illegal
7 for landlords to bake that rent into-- the broker fee
8 into those rents. Two: Rent is determined by market
9 forces, not by landlords. If landlords could
10 increase your rent tomorrow, they would have done so
11 yesterday. They are not holding back on increasing
12 your rent. And finally: Under the current system of
13 forced broker fees, tenants don't have bargaining
14 power, and landlords know that. They know that you
15 can't move out of your apartment because it costs
16 \$10,000-plus, because you have to pay a broker fee to
17 move into another apartment.

18 With that being the case, landlords can increase
19 your rent knowing that you're basically trapped in
20 that housing. Passing this bill will give tenants
21 bargaining power. It will give them mobility to move
22 around their housing market. And it will not only--
23 it won't increase rents, it'll put a downward
24 pressure on rents. Thank you.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 236

2 MR. OSUR: I'm sorry something you said that's
3 not factually correct. If I could just correct: So
4 rent stabilized apartments can go up if the tenant
5 vacates. So, that's not entirely true. There can be
6 a preferential rent and a legal rent.

7 Also, should we be-- should we be paying the tips
8 for waiters? Or should the restaurant be paying the
9 tips for waiters? They hired them. They employed
10 them. I didn't employ them.

11 COUNCILMEMBER OSSÉ: It's optional. That's the
12 thing about tips for waiters. It's optional, and
13 people choose to do so.

14 MR. OSUR: It's not optional. You know that.
15 You're going to go to a restaurant and not pay--

16 CHAIRPERSON MENIN: Okay.

17 [GAVEL]

18 Okay, thank you. Thank you very much. We're
19 going to keep order in here.

20 MR. OSUR: Rent stabilized apartments can be
21 increased. I just want to make note.

22 CHAIRPERSON MENIN: Thank you. Okay, thank you
23 to this panel. We are now going to move on to the
24 next panel. Jordan Melkin, Logan Ferris, Destiny
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 237

2 Cruz, Amy Blumsack, Mia McDonald, Arturo Edinardo.

3 If you could please come forward, thank you.

4 COUNCILMEMBER OSSÉ: Whenever you're ready to
5 begin, right?

6 CHAIRPERSON MENIN: Yes, please start. Thank you
7 very much.

8 MS. BLUMSACK: Good afternoon. My name is Amy
9 Blumsack. I represent Neighbors Together. We are a
10 community-based organization located in central
11 Brooklyn. Over 60% of our members are homeless, and
12 so we work with a very large number of people who
13 have vouchers.

14 As we know, rental assistance vouchers can be a
15 lifeline for people who have them. However, not all
16 vouchers pay broker's fees, and not everyone can get
17 help from HRA to pay a broker's fee, meaning that
18 brokers fees cause barriers to people accessing
19 housing, and they can be stuck in homelessness
20 because of the prohibitively expensive fees.

21 Requiring someone with a voucher to pay a
22 broker's fee can be a form of source-of-income
23 discrimination, which is illegal in both the city and
24 the state. And for people who are paying broker's
25 fees with a rental assistance voucher, they are

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 238

2 paying a significantly higher portion of their
3 income, making this an issue of equity.

4 The waiting list for Section 8 vouchers was open,
5 and we saw over 600,000 people apply. Vouchers are a
6 means of income support, and so if people have that
7 much need for assistance, they are not going to be
8 able to pay broker's fees. That's like over 600,000
9 households that can't afford to pay this extra money.

10 CityFHEPS vouchers do pay-- they do-- some do pay
11 the broker's fees. However, if landlords would pay
12 the broker's fees, that would be cost savings to the
13 City of New York, and we know how much the Mayor is
14 into cost savings.

15 Additionally, I want to say that if the FARE Act
16 were passed, it would remove incentive for bad actors
17 to discriminate against voucher holders.

18 And lastly, I would like to say that people keep
19 talking about rents being baked in, and tenants
20 aren't happy, and brokers aren't happy. This is why
21 we need to decommodify housing. Housing should not
22 be a commodity where people are making money off the
23 backs of people for a human right. Thank you.

24 CHAIRPERSON MENIN: Thank you. Next speaker,
25 please.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 239

2 MR. FERRIS: Thank you, Chair Menin and
3 Councilmember Ossé and members of the Committee for
4 the opportunity to share testimony in support of the
5 FARE Act. My name is Logan Ferris and I serve as the
6 Political Director at Open New York. Open New York
7 is an independent, grassroots, pro-housing nonprofit.

8 New York faces-- I'm not the first person to say
9 this today, but New York faces a severe housing
10 crisis. In February, the New York City Housing and
11 Vacancy Survey revealed that the rental vacancy rate
12 had fallen to 1.4%, meaning that New Yorkers are
13 experiencing the tightest housing market in decades.

14 While renters are suffering, landlords have more
15 power than ever. Tenants are essentially forced to
16 accept high rent increases in substandard living
17 conditions, because the average upfront cost for a
18 tenant to move into a different apartment in New York
19 City is now over \$10,000. That's assuming you can
20 even find a new apartment.

21 While it's clear that the city needs a
22 comprehensive approach to increase the housing
23 supply, building the housing that we need will take
24 time, and we must find ways to help alleviate the
25 burden of the crisis on renters in the short term as

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 240

2 well. Intro 360, or the-- the FARE Act is one way
3 to-- one way that we can help improve the burden on
4 tenants.

5 I'm here testifying in favor of this bill today
6 on behalf of my organization, but also as a tenant
7 myself. Over the last four years, my landlord,
8 landlord has raised my rent by nearly 30%, and
9 neglected to make much needed repairs because he
10 knows that moving within New York City is a huge
11 burden. He's right. With so few apartments
12 available to rent, and the upfront costs of moving
13 being equivalent to three months' rent, I have no
14 bargaining power, and my landlord is able to take
15 advantage of that situation.

16 Your landlord should always be afraid that you
17 can find a new apartment, but until we create more
18 housing and pass much-needed reforms like the FARE
19 Act, they will continue to have the upper hand.

20 We look forward to the passage of this
21 legislation and working with The Council to pass city
22 housing opportunities so we can start to build more
23 housing in every neighborhood. Thank you.

24 CHAIRPERSON MENIN: Thank you. And our next
25 speaker.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 241

2 MR. MELKIN: Hello. My name is Jordan Melkin.
3 I've been a real estate agent with NC Pepe Real
4 Estate since 2005. I'm a 20-year resident of
5 Greenpoint.

6 I tossed my written testimony after hearing what
7 a lot of people here have had to say. Rather than
8 tell you all about what I know, I'm going to tell you
9 about some things I don't know, and I'd be very
10 curious to learn. One thing I'd like to know is, for
11 my colleagues, my real estate professionals that are
12 here and across the city: When you do charge a
13 landlord a broker fee, how much is that fee? And
14 when you charge a tenant a broker fee, how much is
15 that fee, and are they the same? I would love it if
16 you guys would open your books show us that, and we
17 can see if there are really free-market forces here
18 which are allowing tenants to negotiate the price
19 that we as the real estate industry are asking them
20 to pay, or rather telling them they need to pay if
21 they want this apartment.

22 I am also kind of curious-- dumbfounded as to the
23 reference of the dual-agency agreement as somehow
24 something that has any impact whatsoever on a
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 242

2 tenant's choice of hiring a real estate agent, or
3 broker in order to complete a transaction.

4 We only have-- or rather, we have hundreds of
5 renters for every vacant apartment. Every one of us
6 knows-- every one of us renters knows when we've been
7 waiting online to get into that open house to see an
8 apartment for rent, that if we want that apartment,
9 we need to sign that agreement. It is signed under
10 duress. In no way or form, if you go out and ask New
11 Yorkers, would you sign this and would you hire a
12 real estate agent or broker and pay them that fee, if
13 you didn't have to, there's no way that any more than
14 a small fraction of them would say yes.

15 [BELL RINGS]

16 CHAIRPERSON MENIN: Okay. Thank you. And next
17 speaker, please.

18 MS. CRUZ: Good afternoon. Chair Julie Menin,
19 committee members and Councilmember Chi Ossé. My
20 name is Destiny Cruz, and I'm the New York City
21 Senior Organizer at the New York Working Families
22 Party. As a party of tenants, union members, parents
23 and working class people, we strongly endorse the
24 FARE Act. This bill, in its simplest forms, codifies
25 whoever hires the broker pays for the broker's fee.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 243

2 Let's be clear, when the FARE Act passes, brokers
3 will still get paid. If the FARE Act does not pass,
4 millions of tenants will remain burdened with
5 maintaining a portion of a broker's salary.

6 I'd like to share the story of one of our WFP
7 members, Kaylee Farish. Kaylee's rent went up 50% in
8 two years. Unable to sustain the increase, she began
9 her search for a new home, but couldn't find an
10 apartment without a broker's fee. A couple of weeks
11 before her lease was up, she finally found a unit
12 listed as having no fee. She reached out to schedule
13 an appointment and discovered that there was a \$6,000
14 brokers fee on this non-luxury, Lower East Side
15 apartment. Accounting for the first month's rent,
16 broker's fee, security deposit, and movers, her move
17 easily added up between \$15 to \$20,000. Kaylee had
18 to leave New York City and move in with a friend.

19 It is nearly impossible for the everyday New
20 Yorker to prepare \$20,000 in a short period of time.

21 Agents say that the FARE Act will worsen the
22 housing crisis, because fees will be baked into
23 tenants' rents. I implore brokers worried about
24 increased rents to join us at the rent guidelines
25 board final vote, where students, professors,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 244

2 families, and everyday New Yorkers will see yet
3 another sharp increase to rent-stabilized units,
4 negatively affecting mobility across our city.

5 Today marks the five-day countdown on the message
6 our local government sends to millions of tenants
7 across New York City. Our strong City Council--

8 [BELL RINGS]

9 CHAIRPERSON MENIN: Okay. Thank you. If you
10 want to submit your testimony.

11 MS. CRUZ: May I speak my last sentence?

12 CHAIRPERSON MENIN: Again, we're doing the same
13 for everyone. So, please, if you could just submit
14 the written testimony, thank you.

15 MS. CRUZ: Thank you.

16 CHAIRPERSON MENIN: And next speaker. Thank you.

17 MR. ENAMORADO: Good afternoon. My name is
18 Arturo Enamorado. I'm a member of PSC CUNY and also
19 a Sociology Professor at Kingsborough Community
20 College, and I'm a lifelong New Yorker and renter.

21 First of all, our union is an absolute support
22 for the FARE Act. It is what's right for citizens of
23 New York, as well as renters and our students. But
24 I'd also like to share briefly my experience.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 245

2 Two years ago, I landed my dream job at
3 Kingsborough Community College. But the requirement
4 is I had to move from Jamaica Queens, my home, my
5 place of living for years, to Brooklyn to lessen my
6 commute, to make my job possible. After months of
7 searching, my partner and I looked, and looked, and
8 looked to find an apartment within our means, and I
9 still had a commute of an hour, we were finally able
10 to find an apartment that was within our means, until
11 we found out that we could not get the keys because
12 we had to pay a broker's fee. We had to pay one
13 month's security, first month's rent, and an
14 additional \$2,400, totaling my cost to \$7,200 just to
15 move in, to which I did not hire this broker, nor did
16 I even see them physically to give them-- for them to
17 give me my key. This is not who I hired.

18 And to my-- the brokers in the room, let me just
19 say this really briefly: I do not blame my students,
20 nor do I charge them an extra fee to come to class.
21 Nor do I blame one-- blame them for my one year
22 without a contract. That blame goes to my employer
23 who hired me. As a labor union, we sponsored this
24 bill because we understand that the equivalent is the
25 equivalent of speaking from both sides of your mouth

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 246

2 to educate the next generation only to cripple them
3 with a the cost they did not ask for.

4 We stand by our students and the working class
5 members of New York, and we stand with all of you,
6 and we please encourage that you pass this act.

7 CHAIRPERSON MENIN: Okay, thank you. Just one
8 announcement. We have 40 speakers that have signed
9 up in person. We have 13 on Zoom. I am announcing
10 this because we've been told by the Speaker's office
11 that if we go past four we have to move rooms. So,
12 I'm just giving everyone that heads up and that is
13 trying to be good about the timing, but we may have
14 to move rooms depending on where we are at four
15 o'clock. Thank you.

16 Did you have a question?

17 COUNCILMEMBER OSSÉ: Just one question for Mr.
18 Milken. You mentioned in your testimony that there's
19 an imbalance between what brokers are charging
20 landlords, and what brokers are charging tenants.
21 From your experience as a broker, what are some
22 examples of that?

23 MR. MELKIN: Well, in my experience, amongst--
24 I've been doing this for again, almost 20 years. In
25 my experience across the board, landlords pay less

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 247

2 for a broker fee when it's a no-fee listing, as do
3 tenants when it is a fee listing.

4 "Why" is simple. We've heard a lot of talk about
5 market fundamentals here. Landlords, if they are
6 asked to pay a higher fee than they would like to
7 pay, have hundreds of agencies and thousands of
8 agents and brokers, to choose from to take their
9 business elsewhere and shop on price of the broker
10 fee. When a tenant is faced with a broker fee, what
11 they want is the apartment.

12 So, first of all, they have-- they're already
13 being asked for some-- to pay for something they have
14 no interest in paying for. Next if they don't want
15 to pay that broker fee or want to negotiate it down,
16 they've got no leverage, because there are a line of
17 tenants behind them who are already waiving checks.
18 That's why we've had bidding wars over the last three
19 years, and that's why it's going to continue to
20 happen unless we do something about it.

21 COUNCILMEMBER OSSÉ: Thank you. Thank you Chair.

22 CHAIRPERSON MENIN: Okay, we're going to call the
23 next panel. Michael Jacobs, Sheila Carroll, Jonna
24 Stark, and John Preston. Thank you.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 248

2 Um, any other member of that panel that is still
3 here, please come forward. If not, please go ahead.
4 Thank you.

5 You can begin. Thank you. Push the button until
6 you see it red.

7 MS. STARK: Hello, I'm Jonna Stark. I live or
8 work in Queens. I'm a real estate agent. I don't
9 know if there's-- there hasn't been much that has
10 already been said, but I do want to just point out
11 that there are a lot of costs to landlords in New
12 York City that I don't think are costs elsewhere.
13 Like, for example, I just rented an apartment where
14 the building charges the landlord \$4,000 every year.
15 So, the tenant was fine to pay the \$3,000 broker's
16 fee because the building is charging these landlords
17 exorbitant fees.

18 So, if it's a condo, co-op, condop, it's just a
19 whole different ball game where they have more
20 expenses than you would think. I just listed an
21 apartment today. It's \$5,500. Now, when you go on
22 StreetEasy and look at it, it'll show comparable
23 units. And the comparable units nearby-- So, this,
24 this, this apartment is \$5,500. I'm collecting the
25 broker's fee, because the owner has to pay two

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 249
2 months' of common charges to the building. So,
3 that's a whole other-- You know, they have all these
4 fees that you don't actually are aware of. But the
5 comparable units are all no-fee units, 165-10, 163-
6 05, 161-30. So, this idea that a no-fee apartment is
7 actually more expensive, it's really true. So, we--
8 the landlord said, "I'll just charge \$5,500 if the
9 tenant will pay the broker's fee, because I have all
10 these other costs."

11 So, it's-- it's a nuanced sort of deal where
12 that's almost a concession, and it's actually really
13 true. You say that landlords only squeeze as much as
14 they possibly can. A lot of landlords don't. Mom
15 and pop. Landlords don't they want to keep a good
16 tenant, and they're willing to take less rent, but
17 they have a lot of costs, and they say, "Hey, can we
18 work this out? If the tenant can pay this fee, I can
19 charge less."

20 And I talk to landlords all the time who are
21 charging less because they want to keep a good
22 tenant. So, there's that.

23 Also, other states charge two or three months
24 security deposits. So, the cost of moving: Look at
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 250

2 other states. The cost of moving is the cost of
3 moving everywhere. It's a lot.

4 CHAIRPERSON MENIN: Thank you very much.

5 MS. START: Thank you.

6 CHAIRPERSON MENIN: Thank you we are going to
7 call the next panel. Katie Shane, Adam Grobert,
8 Galloway, Esteban Giron, and Nadia Swanson. Please
9 come forward. Thank you.

10 Yes. Okay, thank you. Please go ahead. Please
11 begin. Thank you.

12 GALLOWAY: Good afternoon. My name is Galloway,
13 them/them, and I'm the Advocacy Manager at the Ali
14 Forney Center, an organization dedicated to
15 supporting homeless, LGBTQIA+ youth in NYC. Thank
16 you to Chair Menin and Councilmember Ossé for holding
17 today's hearing, and also the ongoing support of the
18 Council for queer youth experiencing homelessness in
19 NYC.

20 I'll be submitting longer written testimony to
21 advocate for the passing of the FARE Act, but this is
22 a crucial piece of legislation that will help
23 eliminate significant barriers for many New Yorkers
24 seeking housing. As many of you know, AFC serves
25 over 2000 LGBTQIA+ young people each year, providing

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 251
2 them with essential services, including housing
3 assistance. Many of these youth are forced into
4 homelessness due to family rejection, discrimination,
5 and systemic inequalities. Finding stable housing is
6 a critical step towards stability and self-
7 sufficiency for many young people. However, the
8 current requirements for tenants to pay brokers fee
9 often places the burden on the clients.

10 For many homeless queer youth, these fees, which
11 can amount to thousands of dollars, are simply
12 unaffordable. This financial barrier exacerbates the
13 struggle prolonging homelessness and prevents them
14 from securing safe and stable housing.

15 By passing the FARE Act, we can remove these
16 unnecessary obstacles and provide a fair path for
17 housing for all New Yorkers, particularly those that
18 are most vulnerable. Shifting the responsibility of
19 the broker fee to the parties that hire the broker is
20 a common-sense solution that aligns with the
21 principles of equality and justice, and ensures the
22 cost of accessible affordable housing does not fall
23 on those that are already not being able to be able
24 to afford those barriers and limits the affordability
25 to it.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 252

2 Furthermore, the FARE Act will not only benefit
3 homeless queer youth, but also countless other
4 individuals and families across the city who are
5 struggling to make ends meet. It's the step towards
6 creating a more inclusive and equitable housing
7 market where everyone can have a fair access to
8 secure housing. Thank you.

9 CHAIRPERSON MENIN: Okay. Thank you. Next
10 speaker, please.

11 MX. SWANSON: Hi. How are you? Thank you to The
12 Committee, Chair Menin, and Councilmember Ossé. My
13 name is Nadia Swanson. My pronouns are they/them.
14 I'm the Director of Advocacy at the Ali Forney Center
15 with Galloway. I'm also a licensed clinical social
16 worker. And so you're familiar with the Ali Forney
17 Center.

18 This bill is really important to every New
19 Yorker. It is important to me. It's important to my
20 family and my friends. But I matter less than the
21 5700 young people that are experiencing homelessness
22 every day in New York City. And I'm not being
23 hyperbolic when I say that eliminating the broker's
24 fees are literally life-saving. This is especially
25 important for the 16-to-24-year-olds at AFC who are

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 253

2 working so hard to move through their traumas of
3 abuse and family rejection, who fight through
4 homophobic, transphobic, and racist barriers as they
5 face-- to obtain education and employment.

6 Last fall, we held a roundtable discussion with
7 unhoused youth from various programs, sharing stories
8 of fees being too high, brokers pushing them into
9 neighborhoods they didn't feel safe in because of
10 their vouchers, brokers ghosting our housing
11 navigators, and then they end up expiring, all
12 because EHV vouchers don't pay broker's fees. If the
13 voucher does pay, HRA doesn't pay on time, all of the
14 fee, and they just want to get their 15%.

15 We all fought so hard for vouchers, and we're so
16 thankful to the Council for that supermajority
17 override for FHEPS vouchers last year. But all that
18 work won't mean anything if people cannot use them.

19 One of the youths at that roundtable, and that I
20 worked with for the last year in youth advocacy,
21 spoke about how much the broker fees were a barrier,
22 and how hard it is to find an apartment without a
23 fee. As time passed, he was able to find temporary
24 housing, but his mental health declined and substance
25 use increased to cope. That constant fear and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 254

2 exhaustion only exacerbates years of trauma, never
3 allowing youth to get out of survival mode, having
4 tremendous impacts on their health.

5 I am devastated to say that in March, he
6 committed suicide, and yesterday I attended the
7 funeral, his family organized on what would have been
8 his 25th birthday, the day he would have aged out of
9 DYCD/RHY services. The amount of youth we have lost
10 in a year because they're stuck in drop-in centers is
11 devastating.

12 [BELL RINGS]

13 CHAIRPERSON MENIN: Okay, thank you. If you want
14 to submit your testimony. Thank you very much.
15 Okay, next speaker.

16 MR. GIRÓN: Good afternoon. My name is Esteban
17 Girón. I'm a member of the Crown Heights Tenant
18 Union, and I also serve on the Board of Tenants PAC.
19 Thank you, Chair and the members of this committee
20 and Councilmember Ossé for this opportunity.

21 The general membership of the CHTU is proud to
22 support this legislation. Councilmember Ossé's
23 district include areas where we organize, and he and
24 his staff sought our input in drafting and developing
25 this bill.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 255

2 Today, I want to direct my remarks to the brokers
3 who oppose this . bill I reviewed REBNY's explainer
4 and video and talking points. Do they really expect
5 tenants to accept that they, the organization that
6 has done everything in its power to strip tenants of
7 basic protections and destroy rent stabilization,
8 that REBNY wants to protect renters from rent
9 increases? The same organization that spent millions
10 of dollars on lobbyists and a misinformation campaign
11 to stop good-cause eviction from becoming law, and is
12 still attempting to roll back the 2019 HSTPA, that's
13 using our rent money to hire attorneys to help them
14 undo rent stabilization at the Supreme Court?

15 Let's be clear, REBNY does not want your rent to
16 be affordable. Brokers, don't be gaslit by the
17 wealthiest landlords and developers in the world, who
18 sustain their profits on your backs. The fact that
19 you're starting salary is \$52,000 only proves that
20 REBNY doesn't give a shit about you and is not acting
21 in your best interest. All of your workers and a
22 large number of your renters who are being exploited
23 at your jobs and forced to spend way too much of your
24 income on your housing.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 256

2 The fact of the matter is that you have more in
3 common with me than you do with James Whelan, or
4 David Brodsky, or Stephen Ross. We should be on the
5 same side.

6 Tenants may not have millions of dollars to blow
7 on lobbyists and consultants, but we do believe and
8 fight for tenant and worker power. And considering
9 we won the passage of right to counsel, the 2019
10 HSTPA, new good-cause protections, and the rejection
11 of every case brought against rent stabilization to
12 the Supreme Court, I would encourage brokers to join
13 our rank and stop playing for the losing team.

14 The CHU urges the New York City Council to stand
15 up for the rights of workers, and tenants, and
16 brokers by passing this bill without delay.

17 Thank you.

18 CHAIRPERSON MENIN: Thank you. Last speaker on
19 the panel.

20 MR. GRAUBART: Good afternoon. My name is Adam
21 Graubart, and I moved to New York four years ago to
22 study at rabbinical seminary. My Jewish tradition
23 teaches me that in Leviticus 25:14, when you sell
24 property to your neighbor or buy anything from your
25 neighbor, you should not wrong one another. And

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 257

2 later, Jewish law clarifies that this verse refers to
3 overcharge.

4 My tradition is clear, price gouging is wrong.
5 Beyond Jewish communities, this principle makes
6 universal, moral, and practical sense for all New
7 Yorkers.

8 Forcing tenants to pay exorbitant fees up front
9 for a broker they were forced to use and did not hire
10 themselves at a time when their housing situation is
11 most uncertain, is exploitative.

12 Personally, as a graduate student, I live on a
13 fixed income. If I ever needed to suddenly move,
14 paying current rates for a broker's fee would push me
15 to drain my savings or need to leave New York City
16 altogether.

17 The Council has a moral obligation to create a
18 system in which real estate cannot extract additional
19 profits from the limited funds of working class and
20 middle class tenants. Moreover REBNY members claim
21 that this bill would tie the hand-- tie their hands
22 behind their backs.

23 But let us be clear, landlords do not need to
24 take advantage of tenant vulnerability and drive up
25 real estate profits. I also agree with Councilmember

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 258

2 Ossé's assessment that rent stabilization and market
3 forces would negate REBNY's claims that this bill
4 would lead to rapid increases in rent.

5 Wringing of New Yorkers trying to make ends meet
6 for the sake of profit is not inherent. It is a
7 willful act that could be avoided. I implore the
8 council to stop the wringing of tenants, and to not
9 acquiesce to the pressure of the moneyed interests.
10 Please pass the FARE Act now.

11 [BELL RINGS]

12 CHAIRPERSON MENIN: Okay, thank you. So, one
13 announcement, the Speaker's office has just informed
14 us we do need to leave this room at three. So, what
15 is going to happen is we're going to keep calling
16 speakers. Then at three o'clock, we're taking a
17 recess. The hearing will resume at 3:45 at 250
18 Broadway, which is a building across the street on
19 the 16th floor. Again, we're stopping at three. The
20 hearing will resume at 3:45 at 250 Broadway, 16th
21 floor. Anyone who wants to testify but can't stay,
22 can sign up to testify remotely or submit written
23 testimony to testimony@council.nyc.gov.

24

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 259

2 Okay, I'm going to call the next panel. Thank
3 you. Adam Taha, Danielle Lewis-McClair, Jimmy Brett,
4 Brian William, Deeb Shahanfi.

5 Please come forward if I called your name, if
6 you're-- Okay.

7 Okay, please begin. Thank you.

8 MR. BRETT: I'm it?

9 CHAIRPERSON MENIN: Yeah, you're it.

10 MR. BRETT: Do I get more than two minutes?

11 So good afternoon all. My name is Jimmy Brett,
12 and I'm an Associate Broker with BOND New York
13 properties. My bosses just left. I came here today
14 because I think it's very important to hear from
15 people who have experience. I'm a broker. 30 years
16 ago, in 1994 I helped my nephew Andrew open his first
17 City Habitats office. City Habitats was the first
18 rental real estate company in New York City devoted
19 to rentals. He opened 19 offices, of which I managed
20 two of them for a few years, and then he sold the
21 company to Corcoran.

22 I am overly familiar with the rental industry in
23 the city for the past 30 years. I'm a different kind
24 of a broker. My entire business is representing
25 property owners. I'm known (if you look on my

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 260

2 website) as the property owners broker. I know the
3 mentality and the business model for landlords,
4 management companies, building owners, both small and
5 large, and individual apartment owners of
6 cooperatives and condominiums.

7 When they have to pay extensive taxes, rising
8 insurance, rising Con Ed bills and their staff and
9 property upkeep, all of which have skyrocketed over
10 the past couple of years. Yes, they write the checks
11 for these bills. But (and this is a big but), they
12 raise the rent-- they raise the rent. So, in
13 reality, the tenants are paying for it. If you pass
14 this bill-- If you pass this bill, all you, all you
15 are doing is making-- making the rents go up, the
16 apartments that are almost unaffordable today are
17 going to become totally unaffordable.

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Okay. Thank you very much.
20 Thank you for your testimony.

21 We're now going to call the next--

22 MR. BRETT: Can I say one last thing though?

23 CHAIRPERSON MENIN: No, no, no. Nope. Nope.
24 No, sorry. We're not-- We're not going to do that.
25 Everyone gets two minutes.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 261

2 The next panel is Yvette Vasquez, Sean Davis,
3 Michael Matos, Anna Gardner, Rebecca Meldman, and
4 Claire Baging. Please come forward. Thank you.

5 Okay, please begin.

6 MR. MATOS: Good afternoon, Councilmembers and my
7 fellow New Yorkers. My name is Michael Matos, and
8 I'm a US Military Veteran. I'm here today to express
9 my strong support for Intro 360, a vital piece of
10 legislation aimed at improving the accessibility of
11 housing in New York City.

12 Intro 360 is designed to address the critical
13 issue of housing accessibility in NYC. As someone
14 who has served our country and continues to serve our
15 community, I understand the significant challenges
16 many veterans and low-income families face in
17 securing affordable, stable housing. The high cost
18 of living and limited availability of affordable
19 housing options have created significant barriers for
20 many NYC residents.

21 According to a recent report by the New York
22 State Comptroller, almost 3 million households in New
23 York are dealing with housing costs that consume more
24 than 30% of their household income, with one-in-five
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 262
2 households experiencing a severe cost burden of more
3 than 50%.

4 Veteran homelessness remains a persistent issue.
5 In 2023 there were approximately 1500 homeless
6 veterans in New York City, reflecting a troubling
7 trend that has not significantly improved over recent
8 years. Many veterans face unique challenges when
9 transitioning back to civilian life, including
10 finding stable housing. This legislation can play a
11 crucial role in reducing veteran homelessness by
12 increasing the availability of affordable housing.

13 As a veteran, I have witnessed the struggles of
14 my fellow service members in finding secure housing.
15 Intro 360 offers a promising solution to alleviate
16 these difficulties.

17 Low-income families are disproportionately
18 affected by the lack of affordable housing.
19 According to the NYC housing and vacancy survey, over
20 25% of low-income households spend more than half of
21 their income on rent. Moreover, so-called affordable
22 housing programs are often unobtainable for these
23 families and Section 8 housing voucher holders, due
24 to various systematic barriers, the limited supply of
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 263

2 truly affordable Units, means that many low income
3 households--

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Thank you, sir. Next
6 speaker. If you want to submit your testimony,
7 please do. Thank you.

8 MR. MATOS: Yes.

9 MS. VASQUEZ: Good afternoon. My name is Yvette
10 Vasquez, and I'm the Queen's Political Organizer for
11 1199 SEIU. I am here on behalf of 1199 SEIU and our
12 thousands of healthcare workers in New York City.

13 I've listened to representatives from BOND New
14 York, whose revenue was \$100 million last year,
15 Douglas Elleman, whose revenue was \$941 million last
16 year. And I'm noticing in this room that there are
17 workers on both sides saying that they need
18 assistance. The brokers are scared that they're not
19 going to make money, and the renters cannot afford
20 it.

21 When we negotiate, we go to the table and
22 negotiate for our members' salaries. We go to the
23 top, the people who have the money. We don't put
24 that on the residents that they take care of. We
25 don't ask the residents to pay their salary. So, we

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 264

2 ask the billion-dollar health care industry to pay
3 what they need to pay.

4 And I implore the workers of these real estate
5 companies to do the same. They clearly have enough
6 money in the millions and billions of dollars that
7 they bring in yearly.

8 We need to work together to create affordable New
9 York City Housing with equitable and reasonably
10 priced housing. We're urging the Council to pass the
11 FARE Act to ensure that no one is burdened with
12 unreasonable costs while trying to find a place to
13 live.

14 I have a very-- blessed to have a good job, and
15 it took me six months to find an apartment that was
16 reasonable, and I still had to make concessions on
17 that. I looked on all of these websites that they've
18 mentioned today -- StreetEasy, Zillow, and what have
19 you. All of these rentals that are listed as no fee.
20 Every single one I went to turned out to have a fee.
21 So, just because they say that don't-- don't have a
22 fee, is not correct. You show up and boom, there it
23 is.

24

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 265

2 So, I don't know where they got their stats from,
3 but that is the case, and I just lived through it.

4 So, thank you.

5 CHAIRPERSON MENIN: Thank you. Next speaker,
6 please.

7 MS. GARDNER: Good afternoon. My name is Anna
8 Gardner, she/her, and I'm a constituent of
9 Councilmember Chi Ossé. I've been here since 8:45am
10 today, and I'm grateful for the chance to testify.
11 I'm testifying in support of Intro 360.

12 I moved to New York four years ago to live with
13 my sister after I was hospitalized during the
14 pandemic. I had to quit my job upstate and had very
15 little savings when I moved in with her. As I was
16 recovering and easing into work again, I found my
17 apartment on Craigslist that was in my price range.
18 I was really not financially stable to sign my own
19 lease at the time, but the apartment was rent-
20 stabilized, near my new job and would go very
21 quickly.

22 On top of first month's rent and security
23 deposit, I had to pay the broker's fee for my
24 landlord. The only way I could pay the total of
25 \$4,500 was borrowing money from three of my family

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 266

2 members. I was fortunate and privileged to have that
3 safety net, a familial loan I could pay back on my
4 own timeline without interest. But many, many, many
5 New Yorkers do not have that safety net or savings.

6 I didn't meet my landlord in the entire process
7 of renting my apartment. The broker listed the
8 apartment, gave me the tour, and he had me sign the
9 lease at his office. I didn't hire the broker to do
10 any of that. My landlord did. If I wasn't in a
11 rent-stabilized apartment, and my landlord didn't
12 want to pay that fee and wanted to pass it on to me
13 over the course of the year of a lease, I would be
14 very amenable to that, and would have been much more
15 financially stable in that moment. I do think it's a
16 fallacy of saying that these fees are going to be
17 baked in indefinitely into rents. I think that
18 there's different ways to go about this. I don't
19 believe this bill is being presented as a solve for
20 the affordable housing crisis in New York, and I'm
21 not looking at it to lower my rent.

22 It's essential that this piece of-- This is an
23 essential piece to a broader solution to alleviate
24 upfront financial burden on renters, renters who are
25 living paycheck to paycheck, renters who are on the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 267
2 brink of incredible debt. This bill is for them, for
3 us, for the majority of New Yorkers just trying to
4 make it by. This broken system will be made more
5 sustainable, bit by bit, with legislation like Intro
6 360. Thank you to the 33 Councilmembers, to the
7 Public Advocate. FARE is fair.

8 [BELL RINGS]

9 CHAIRPERSON MENIN: Thank you very much. If you
10 want to submit your testimony. Next speaker, please.
11 Thank you.

12 Thank you. Chair Julie Menin, Councilmember
13 Ossé, and the members of The Committee and members in
14 attendance. My name is Sean Davis, and I'm a
15 resident of New York County, district five. I'm also
16 a Staff Attorney with Mobilization For Justice who
17 handles housing court cases across the five boroughs.
18 I am now testifying in my own capacity as a tenant,
19 in support of the FARE Act.

20 So, we're talking about brokers fees in the midst
21 of a huge housing crisis in this city. We heard from
22 brokers that this is a supply-and-demand issue. To
23 call this a supply-and-demand issue simply is to
24 remove all the nuance required to deal with this
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 268
2 situation, and moreover, the housing crisis in this
3 city... Nuance that the FARE Act takes into account.

4 Now, having said all that, I'm also not saying
5 that all a broker does is open a door, but this act
6 is meant to be fair to everyone. Speaking to my
7 experience, I tried to move about a year ago, was hit
8 with broker's fees, and I had to make the decision
9 that it wasn't going to pay off unless I lived there
10 a few years, I decided not to move. Other people are
11 not as lucky. They get stuck renewing leases to
12 avoid homelessness, because what else are you going
13 to do? That ends them up in housing court, and
14 that's where I come in.

15 Now, I made that decision not because I didn't
16 want to move. It wasn't made because the housing
17 that I not the broker located was expensive. It was
18 made because I was trying to move to a less-expensive
19 apartment that turned out to be cost prohibitive when
20 factoring in the broker's fee. Why should the tenant
21 pay that? I have not heard a good answer to that
22 today. Now I touched on this a little bit. But to
23 generalize the scope and give an idea of what New
24 Yorkers are dealing with, this is having a real
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 269

2 financial detrimental effect on working class New
3 Yorkers.

4 I'm going to skip a little bit here just for
5 time.

6 So, I've heard the word options a lot from
7 brokers here. They want tenants to have options.
8 That's what this is about. It's disappointing to
9 hear that. That is-- I do not believe that to be
10 genuine. They're saying that this would be bad for
11 tenants. That is simply not the case. I also want
12 to say that the broker asking you not to legislate in
13 this arena. That was the most inappropriate thing
14 I've heard in a while. It shows that they do not
15 understand even despite being able to organize how
16 legislation works, they also have no idea how
17 vouchers work if they think it's so simple, it could
18 be done in a day.

19 [BELL RINGS]

20 CHAIRPERSON MENIN: Thank you. Okay. Thank you
21 very much. Next speaker, please.

22 Good-- Good afternoon. Can you hear me?

23 CHAIRPERSON MENIN: Yes, we can hear you. Thank
24 you.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 270

2 [UNKNOWN SPEAKER]: Good afternoon. New York
3 City has always prided itself on its forward thinking
4 and commitment to innovation, yet there's a glaring
5 inconsistency tarnishing our city's reputation: The
6 unjust practice of burdening tenants with exorbitant
7 fees to brokers that they didn't even hire. It's
8 time to put an end to this outdated and unfair system
9 by supporting the FARE Act.

10 In a city where two thirds of the population
11 lives paycheck-to-paycheck, asking families to save
12 for months, if not years, for a security deposit and
13 first month's rent is already a daunting task.
14 Demanding them to shell out thousands of dollars to a
15 broker, often for minimal service, is simply absurd.
16 Brokers lack the incentive to be transparent about
17 property flaws, leaving tenants vulnerable. Why
18 should tenants put the bill for a service they didn't
19 choose, especially given this risk? If landlords
20 insist on hiring a broker, they may do so, but it is
21 outrageous to expect the tenant to pay that bill up
22 front, especially when they had no input in hiring
23 this person in the first place. Opponents argue that
24 landlords may offset broker fees by raising rents.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 271

2 While this might strain renters' budgets, it's a step
3 towards fairness.

4 Many New Yorkers endorse substandard living
5 conditions because they cannot afford the upfront
6 costs of moving. Incremental rent increases, though
7 challenging, offer a pathway for families to seek
8 better living conditions.

9 Others have brought up the fact that no-fee
10 apartments are already available, but in my
11 experience, the vast majority of these units are
12 either scam listings in decrepit condition, or way
13 too highly priced for the average New Yorker. When I
14 was searching for an apartment, I just was looking
15 for two basic criteria, fitting my budget, and having
16 a reasonable commute to the school I teach at. There
17 were only two apartments that fit these criteria, and
18 I was forced to choose between a \$2,000 brokers fee
19 or a unit with five open complaints with the city due
20 to rodent issues.

21 The FARE Act presents a balanced solution.
22 Brokers retain their role while easing financial
23 burdens on the tenant who again, did not hire them in
24 the first place.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 272

2 I urge you to stand with the millions of New
3 Yorkers you represent by supporting the FARE Act and
4 thank you for your attention and commitment to
5 serving our community.

6 CHAIRPERSON MENIN: Okay. Thank you. Next
7 speaker, please.

8 MS. BAGING[SP?]: Hi. Thank you. Chair Julie
9 Menin, Councilmember Chi Ossé, and the members of the
10 committee. My name is Claire Baging[SP?], and I'm a
11 resident of Cobble Hill, Brooklyn. In 2016 my
12 husband and I were looking for our first apartment
13 together, and we scoured StreetEasy listings for
14 hours, signed up for multiple open houses and viewed
15 several different apartments. When we found the
16 listing for our future one bedroom in Hell's Kitchen,
17 we were one of many applicants and the rent, what the
18 time was \$2,150 per month.

19 We knew the brokers were not working for us.
20 They did not help us find the apartment, and their
21 only job was to unlock the apartment and collect the
22 paperwork for us. This work, we paid-- For this
23 work, we paid our two brokers fees totaling \$3,870,
24 to the sole realtor who was showing this apartment.
25 And we were also told that if we didn't quickly pay

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 273

2 all fees owed, there were many other applicants in
3 line behind us who are ready to take our spot and
4 already paid application fees. Including these three
5 months rent, the broker's fee and the application
6 fees we needed \$10,320 to move into a roach-infested
7 one bedroom apartment in Hell's Kitchen. Without
8 some substantial financial help from my family, this
9 would have been impossible for us.

10 So, if we care about the housing crisis that we
11 are currently facing, and about losing communities to
12 gentrification, we need to take action on this issue.
13 I urge the council to make our real estate
14 transactions more fair and to pass the FARE Act now.

15 CHAIRPERSON MENIN: Thank you. And Councilmember
16 Ossé has a question.

17 COUNCILMEMBER OSSÉ: I just wanted to uplift you
18 at the point on, you know, some of these brokerages
19 making, you know, over a billion dollars or millions
20 of dollars a year. To all the brokers that are mad
21 at me in here, I really do urge you to maybe organize
22 your brokerages. You talked about how you don't have
23 healthcare and other things that you should have, you
24 know, in a place where you work. Organize those
25 spaces. Put pressure on your employers that are

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 274

2 making all of this money. Don't put that bill on to
3 the tenants and the working-class New Yorkers who
4 live here and uphold our city. Thank you.

5 [BACKGROUND VOICES]

6 [GAVEL]

7 CHAIRPERSON MENIN: No, no, no. You're out of
8 order. There is no speaking in the chambers.
9 Everyone has their two minutes where they can get up
10 and speak. Thank you. We are moving on.

11 We have one more panel before we have to take a
12 recess. So, again, I'm going to call this panel.
13 Then after the panel, we're breaking at 3:00. We'll
14 resume at 3:45 at 250 Broadway, 16th floor.

15 So, the next panel, Tuval Mor, Philip Johnson,
16 Elvin Rotman, Nina Lee, Eric Ross, and Marty Moore,
17 please come up. Thank you.

18 The first one-- and I apologize I was hard to
19 read the writing. Tuval? Yes. Tuval. So sorry.
20 Sorry, sorry. Yes. Tuval. Thank you so much.
21 Everyone has two minutes.

22 MR. MOR: Let me know when I can begin.

23 CHAIRPERSON MENIN: Yes. Go ahead. Thank you.

24 My name is Duval Mo and I'm a real estate agent at
25 Corcoran, and I've been doing real estate in New York

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 275
2 City, focusing on rentals in the city for the past 20
3 years. I was involved in thousands of rental
4 transitions representing the owners and renters.

5 When a potential tenant goes now online to the
6 major website, he can search by no fee or with fee.
7 Everything is disclosed up front. And for the
8 disgusting bad-apples brokers that are misleading, I
9 would fully support a law that will punish them.

10 That being said, if a tenant chooses to inquire a
11 rent that disclosed it has a broker fee. It means
12 the owner decided that for this apartment, he chose
13 to keep the apartment rent low and have the broker
14 fee paid by the upcoming tenant.

15 The tenant saw the apartment on the website that
16 the agent paid for to advertise, with the virtual
17 staging and photography that the broker paid for, did
18 not find it by himself. It was the marketing of the
19 broker that allowed the potential tenant to find it.

20 I believe I bring a different experience than the
21 other brokers that came before me, because for the
22 first 15 years, I worked just for renters, and now
23 just for owners.

24 When I'm talking to owners I represent, we do
25 provide them with two options: One, they pay the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 276

2 broker fee, and one where the renter pays the broker
3 fee.

4 When the owner pays the broker fee, it's always
5 up 10 to 15% higher than the initial rent proposed.

6 If the renter is paying the fee, and we take into
7 account that the average renter in New York City
8 stays two to three years, it shows that the average
9 cost for the renters will be much lower if he himself
10 pays the fee. And yes, we can also negotiate when
11 there is no competition.

12 Every New Yorker deserves housing. Not every New
13 Yorker deserves to be in the best area of Manhattan,
14 getting \$10,000 broker fee or rental for free. It
15 doesn't work this way. We are now the most expensive
16 city in the world. What do you think owners that
17 worked all their lives to buy a property--

18 [BELL RINGS]

19 CHAIRPERSON MENIN: Thank you very much. Next
20 speaker, please.

21 MR. ROYMAN[SP?]: Good afternoon, Councilmembers.
22 Thank you for the opportunity. My name is Elvin
23 Royman[SP?]. I'm here to speak against Intro 360 for
24 the millions of New Yorkers who have voluntarily
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 277
2 participated in a rental transaction and thereby
3 support the status quo.

4 I'm also here for the many thousands of New
5 Yorkers who work in real estate and small landlords,
6 including the 1500 who are right outside this
7 building today, whose pocketbooks you are looking to
8 plunder.

9 This bill is anything but fair. It is despicable
10 to think that the council is looking to punish the
11 real estate agents, whose average income is around
12 \$58,000 according to Glassdoor. By cutting their
13 fees by 50% which is reputedly predicted, you're
14 effectively placing them below the poverty line in
15 one of the most expensive cities in the world.
16 Agents are renters, too.

17 I find it entirely disingenuous for the council
18 people, city government employees, and their
19 preferred panelists to be testifying about one or two
20 cherry-picked anecdotal horror stories (not to
21 mention asking questions of panelists who are
22 ignorant of the majority of transactions and many are
23 just downright lying) to paint the entire industry as
24 evil, when the vast majority of agents are honest,
25 law-abiding, hardworking New Yorkers, almost all of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 278

2 whom are members of vulnerable minority groups such
3 as people of color, women, immigrants, Jewish, or
4 LGBTQ.

5 Plus my parents are proud immigrants granted
6 asylum in this beautiful city 45 years ago when they
7 ran for their lives from a regressive, oppressive,
8 authoritarian communist regime, and this legislation
9 is leading us down a path to that hell.

10 The landlords have all the power since they
11 control the supply of housing. If they are forced to
12 cover all broker fees, the rents will go up to absorb
13 that cost in the first year and will be baked into
14 the rents forever, even after renters have paid that
15 fee off, and subsequently, more people will be
16 prevented from acquiring housing.

17 I implore you, don't raise the rent.

18 I'm curious that this bill is being debated on
19 one of the holiest days of the Jewish calendar. This
20 seems like a tactic to prevent the nearly 1.5 million
21 New York City Jews from voicing their opposition to
22 this bill. To be frank, the reality is that we have
23 a horrible affordability crisis in the city. The
24 vacancy rate is below 1.5% and this bill will make
25 that significantly worse, instead of actually

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 279

2 building affordable housing, this legislation is
3 being presented to obfuscate from the reality.

4 [BELL RINGS]

5 CHAIRPERSON MENIN: Thank you. And next speaker,
6 please.

7 MS. LEE: Good afternoon. Speakers, members of
8 the council. My name is Dina. I'm here to talk
9 about affordability. You're saying that brokers fees
10 are going to be an upfront cost that is preventing
11 people from gaining housing. The real problem is
12 that there are no affordable housing in the city as
13 of right now.

14 The AMI for 50% as set by HPD, is \$54,350 for a
15 single-person household, that would mean that an
16 affordable apartment would be \$1,358.75. If you do
17 it, search on street, easy for that. There's only
18 two apartments in the entire city, fee or no fee,
19 that meet that number.

20 So, the issue is not brokers. The issue is
21 affordability. You're allowing major developers to
22 build at 120% AMI, 80% AMI, in new developments,
23 instead of at 30% and 40% and 50% AMI, which will
24 actually help New York City people get affordable
25 housing.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 280

2 Additionally, there are no brokers fees in
3 affordable housing. If you apply to a housing
4 lottery, if you are applying to subsidized housing,
5 which is what is actually affordable to New Yorkers,
6 you do not have a broker's fee. You're only
7 experiencing that in market rate housing. And in
8 market rate housing, you do have the option of what
9 the landlord decides.

10 Additionally, when you speak about the 44% of
11 housing that is rent-stabilized, please remember that
12 there is warehoused housing in that 44% which
13 includes that 100,000 units that are offline right
14 now.

15 So, it's disingenuous to tell people that it will
16 not affect them. It will absolutely affect them
17 moving forward. Brokers. A lot of brokers do not
18 want to charge tenant fees. It makes our job so much
19 more difficult. So, if there's a listing that has a
20 broker's fee attached, then it's because there was no
21 other option. Our advertisement is already heavily
22 regulated by Department of State, which indicates
23 that we must include all upfront fees in our
24 advertisements. For persons who are not doing that,
25 please report them to the to DOS immediately. You

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 281
2 should not be pulling up to a showing and getting
3 hidden fees.

4 So, these are not things that you're fixing with
5 this legislation, because there's already regulation
6 in place to prevent this happening to tenants.

7 CHAIRPERSON MENIN: Thank you. Next speaker,
8 please.

9 [UNKNOWN SPEAKER]: Hi. Before I start, I would
10 just like to request that Councilmember Ossé actually
11 put the laptop away, put the iPhone away, stop
12 looking around the room when we're speaking, people
13 in opposition of your bill, because I notice that's
14 what you're doing in a habitual manner, and actually
15 listen to the presenters, okay? Because you only
16 listen to your side, not to the other side. It's
17 disrespectful.

18 I think I have to say the most important single
19 thing that's going to be said here today: There were
20 a lot of people that came out in opposition to this
21 bill. Okay, who did you not see here today come out
22 in opposition? The owners of the buildings, the
23 landlords, okay? Why did they not come out here?
24 Not because they don't have brains, not because they
25 don't have means, not because they don't have

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 282
2 lobbyists and lawyers. Put that laptop away, please.
3 The reason why-- Put the laptop away and focus. The
4 reason why they're not here, Councilman Ossé, is
5 because they realize that your bill will actually
6 help them.

7 In line with what everybody is saying here, the
8 rent will go up. So, they're actually passive about
9 your bill, or actually secretly in favor of your
10 bill. They know that it will cause the rents to go
11 up, which will redound to their benefits, increasing
12 the value of their holdings, and also increasing
13 their bottom line year after year, after year, after
14 year, because they will continuously recoup the cost
15 that they outlay and keep the rent at the exact same
16 level. And instead of recouping what they outlay, it
17 will just go directly into their pocket.

18 That's the reason why none of them are here.
19 Okay, so I think, QED, you keep saying that that
20 rents will not go up, and in fact, they will go down
21 if the rents would--

22 CHAIRPERSON MENIN: Sir. There's no record--
23 Excuse-- There's absolutely no recording from the
24 stand.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 283

2 [UNKNOWN SPEAKER]: Okay, I didn't-- I didn't
3 know.

4 CHAIRPERSON MENIN: Thank you. Okay, you may
5 continue. Thank you.

6 [UNKNOWN SPEAKER]: If the rents-- If, according
7 to what you're saying, the rents would go down, you
8 would have a room full-- If you were right, you
9 would have a room full today of landlords and owners
10 protesting your bill. Okay, this is proof positive
11 that at the complete opposite would happen.

12 [BELL RINGS]

13 CHAIRPERSON MENIN: Thank you.

14 COUNCILMEMBER OSSÉ: There were multiple
15 landlords in this room today though, self-described.

16 [UNKNOWN SPEAKER]: I can't hear you.

17 COUNCILMEMBER OSSÉ: There were multiple, self-
18 described small homeowners who were in the room
19 today.

20 [UNKNOWN SPEAKER]: I can't hear. There's
21 crosstalk.

22 CHAIRPERSON MENIN: We're allowed to come in and
23 interject questions, okay? That is absolutely
24 Council prerogative.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 284

2 COUNCILMEMBER OSSÉ: There were multiple people
3 advocating on your behalf, who sat on the panel and
4 said they were landlords and homeowners, so that's--
5 that's incorrect.

6 [UNKNOWN SPEAKER]: They were real estate
7 brokers. They weren't the institutional landlords.
8 Okay, let's not mince words here. Let's not play
9 cutesy. Okay, they happen to be both, okay? But
10 they-- that's-- that wasn't their line of business.
11 Their line of business was real estate brokerage.

12 CHAIRPERSON MENIN: Okay, sir, it's now your
13 turn.

14 MR. JOHNSON: Thank you very much. My name is
15 Philip Johnson. The rent is too darn high, and this
16 will only make it higher. So, far today we've only
17 heard populous sound bites and political hand waving.
18 But I'm here to give you some facts, some actual
19 numbers and some math.

20 In Bedford, Stuyvesant, a neighborhood
21 represented by Councilmember Ossé, the average price
22 as of last week for a studio apartment with a fee is
23 \$2,275. The average price for a no fee studio is
24 \$2,603. The no-fee studio is 14% higher. So, when
25 we are asking what the tenant is getting in exchange

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 285
2 for the broker that they're paying the owner has
3 hired, they are getting cost savings in year one, and
4 they are receiving cost savings in each subsequent
5 year that they renew.

6 Perhaps in Mr. Ossé's fantasy world, New Yorkers
7 only live in their apartments for one to two years,
8 and they move around constantly. That is not the
9 case. Many New Yorkers live in their apartments for
10 many, many years.

11 Additionally, he's made allusions earlier that
12 it's only fancy buildings in the which is-- this is
13 the case. In his-- In Bedford, Stuyvesant, 63% of
14 all pre-war buildings, not luxury fancy new
15 developments are no-fee. And in fact, 50% of pre-war
16 buildings that are under \$2,500 a month for rent are
17 also no fee. So, it's not just luxury fancy
18 buildings, Mr. Oseé.

19 Additionally, despite asking your office over the
20 course of a year now, almost, for information about
21 whether or not this would affect Co Op and
22 condominium taxes in New York City, I've received no
23 actual research or response.

24

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 286

2 So, condos and co-ops in New York are taxed based
3 off the comparable rental properties in their
4 neighborhoods.

5 So, as we know that rents will rise from this
6 legislation, so too will the property taxes of co-op
7 and condominium owners in every borough of the city.

8 So, you're proposing legislation here today that
9 has not only, you know, unintended-- unintended
10 problems for renters, both market and rent
11 stabilized, but also unintended problems for co-op
12 and condo owners. And despite asking your
13 legislative director--

14 CHAIRPERSON MENIN: Okay--

15 COUNCILMEMBER OSSÉ: You did speak to my office a
16 couple weeks ago.

17 MR. JOHNSON: And I never received-- I was told
18 in writing on August of last year that your office
19 was going to do research on the matter, and they're
20 going to send me your findings. I have the e-mail.
21 I'm happy to send it to you.

22 COUNCILMEMBER OSSÉ: You had a followup
23 discussion with Elijah Fox a couple weeks ago.

24

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 287

2 MR. JOHNSON: That's not-- That was a discussion
3 with no findings whatsoever. You specifically said
4 you would have research with findings.

5 COUNCILMEMBER OSSÉ: I think we disagreed with
6 your points, but-- but I don't think there were no
7 findings within that conversation, but thank you for
8 your testimony.

9 MR. JOHNSON: I think if you can't remember what
10 you said on Tiktok, I think maybe you might be
11 misremembering this as well.

12 CHAIRPERSON MENIN: Okay, thank you very much.
13 We are now officially recessed. We will resume at
14 345 at 250 Broadway. Thank you.

15 [GAVEL]

16 [RECESS]

17 CHAIRPERSON MENIN: I want to thank everyone for
18 their patience in relocating over to 250 Broadway.
19 So I am now going to call the first panel. I
20 recognize some people might not be here, but I will
21 call the first panel and see. The first panel is
22 Nick Tigason, Amber Gulyati, and Boris Youssefov.

23 If you could just identify yourself-- Yeah, just
24 so-- Wonderful. Thank you so much. That's so
25 helpful. Thank you.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 288

2 [BACKGROUND VOICES]

3 CHAIRPERSON MENIN: Oh, okay. Brief Pause,
4 please. Thank you.

5 We are going to resume. Thanks everyone for
6 their patience. Okay, please begin.

7 MR. YOUSSEFOV: My name is Boris Youssefov. I am
8 the oldest son of Jewish immigrants to New York City.
9 I am-- I support a family of six. It's me, my two
10 parents, and my three siblings. My dad works. My
11 sister works. I work as an attorney in the city. We
12 have a combined income of over \$250, I assume,
13 something like that. And yet we cannot-- They cannot
14 move out from me. My parents can't move out. My
15 sister can't move out. My siblings can't move out.
16 Yes, because the prices are crazy. Yes, because of
17 inflation. But also yes, because of predatory
18 practices around the broker fees in New York.

19 Over the last three years, different members of
20 my family couldn't move out, and they tried, and they
21 couldn't specifically because of the fees,
22 specifically because of the fees.

23 The opponents of the bill claim to be the
24 champions of free market and free choice.

25 Unfortunately, the market is only free. If all the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 289

2 parties have leverage. In the current market, it's
3 only the landlords who have leverage, and they abuse
4 that leverage, and they use the brokers to enforce
5 their will.

6 One of the opponents of the bill has made a big
7 fact out of the fact that the longer landlords are
8 not here to oppose the bill, it means that they must
9 be in support of it, because it will raise the
10 prices.

11 Landlords are not there, when I go to see the
12 apartment. They have other people to do their
13 bidding. We have REBNBY here who represents
14 landlords, frankly speaking, and they do their
15 bidding. They bring these people here because they
16 don't like the bill. The landlords don't want to
17 lose the leverage. The flexibility that renters will
18 get from this law is immense. It's not the only
19 choice. It's not the only solution. We require
20 more, but this is an important step. It gives more
21 flexibility to the renters.

22 CHAIRPERSON MENIN: Thank you very much.

23 Okay, next panel, Gabrielle Guerrero, Tiffany
24 Burt. Any of them here? Okay, not here. John
25 Willis, Moirin Pervin, Andrew Funk. If you wouldn't

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 290

2 mind just identifying yourself, please, so we know
3 who is not here.

4 MR. FUNK: I'm Andrew.

5 Okay, this is on. Am I good?

6 Okay, hi. My name is Andrew Funk. I'm a real
7 estate agent here in New York City. I'm also a
8 resident of District 4, and I'm in support of Intro
9 360.

10 I've been practicing real estate for the past
11 year, and I have 100% only done rentals, specifically
12 on the tenant side, representing tenants and
13 transactions.

14 I think real estate agents can bring a lot of
15 value to the transaction in terms of providing
16 tenants access to resources that they don't have
17 access to without an agent, being able to do work for
18 them on their behalf if they're not available to do
19 so, maybe they're moving from out of the state.

20 However, those tenants that I've worked with have
21 chosen to hire me, and elected to utilize my
22 services, and agreed to pay me up front.

23 Tenants that I think are going through the
24 process on their own and finding themselves backed in
25 these corners where they are forced to pay the fees,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 291

2 I do think it's absolutely egregious, and I do think
3 it's a-- an extortive measure that landlords and
4 owners are taking, capitalizing on this issue of
5 supply and demand.

6 That is where, historically, brokers fees come
7 from in this city, is we have an issue of supply and
8 demand, and so therefore we have a group of people
9 that are taking advantage of that issue, and
10 utilizing it to essentially enforce fees on people
11 that didn't ask for those services.

12 Also, I would just like to point out, I think
13 behind the curtains and behind the scenes, there's a
14 lot of like, illegal practices and extortion that's
15 taking place, as we mentioned before. You know, when
16 landlords and owners are paying their agents, it's
17 one month when agents take that fee to the market and
18 force a tenant to pay, it suddenly becomes 15%.

19 When we talk about agents utilizing that fee in
20 an effort to prevent other agents working with
21 tenants, and, you know, not letting them come see the
22 inventory, saying, "I don't want to co-broke with
23 you. I've gotten too many direct deals, so I'm not
24 interested in working with you." So it actually
25 it's--

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 292

2 [BELL RINGS]

3 Yeah.

4 CHAIRPERSON MENIN: Thank you. Thank you very
5 much.

6 Okay, going to call the next panel. Delaney
7 Maisel, Abigail McNeely, Lociaco Enzo.

8 MS. MAISEL: Hello? Hello. Good afternoon
9 committee. My name is Delaney Maisel. Thank you for
10 taking the time to listen to me speak. I'm a native
11 New York City resident who was born and raised in
12 mid-income affordable housing in Greenwich Village.
13 I am a teacher, and an actor, and a singer who would
14 be considered low income.

15 In order to move out of my parents' apartment, I
16 am pretty much reduced to search for an apartment
17 that is affordable and stabilized. I recently had an
18 experience with a stabilized pre-war unit in Crown
19 Heights Brooklyn. The unit was \$1,500 a month, and
20 the broker let me know that because of the high
21 interest in this unit, they were asking for a \$5,000
22 broker fee. That is almost 30% of the yearly rent
23 for this unit. He also let me know that many other
24 people were willing to pay this, which intimidated me
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 293

2 into not seeing the apartment at all. Less work for
3 him.

4 When brokers fees act as a barrier to entry, even
5 for affordable units, and are dynamically priced
6 because they are affordable, that is a predatory
7 practice. This creates a hostile environment for
8 artists and low-income workers who have historically
9 been the backbone of this city. It makes New York
10 into a city only the richest can afford. New York is
11 already becoming a billionaire's playground, with
12 lots of people from out of state, out of country,
13 moving in, driving people out, who have lived here
14 our whole lives. I am one of the people who has
15 grown up in this city and cannot afford to even move
16 out, because of these upfront fees being such a
17 barrier to entry, to getting into any-- any
18 apartment. It's hard enough to get approved. It's
19 hard enough to even pay the rent. To have to pay
20 upfront fees is simply not feasible. And for people
21 who are artists, who are trying to make the city
22 something less than just full of finance people, it
23 makes it extremely difficult. Thank you.

24 CHAIRPERSON MENIN: One question for that-- for
25 the \$5,000 fee that you recorded, was there anything

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 294

2 in writing on that? How was that communicated to
3 you?

4 MS. MAISEL: Through text.

5 CHAIRPERSON MENIN: Text, okay, thank you very
6 much. Thank you. Thank you. Next panel. Celia
7 Weaver, Gordon Lee, and Sharon Brown.

8 MR. LEE: Good night, everyone. My name is Mr.
9 Gordon Lee from Kings, Brooklyn County. You can also
10 call God. I'm a member of all the activist groups
11 because I like to support important causes. And I
12 was one of the children who was born when the country
13 was protesting President Nixon, June 23 of 1973, as
14 well as vice president, Gerald Ford. I was born in
15 Broward County, Fort Lauderdale City, Florida, and I
16 came to Kings, Brooklyn County, New York City, 1977
17 when they elected Gerald Ford, and-- I mean James
18 Carter and Gerald Ford left office, and I grew up
19 here under the Reagan presidency.

20 And now I'm here like everyone else, because I
21 also take issue with forced broker fees and rising
22 rent, not only I cannot afford it, but I don't feel
23 that-- we don't feel that I'm getting we're getting
24 our money's worth. We often don't get repairs that
25 we need. Instead that, you know, we get forms of

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 295

2 nasty attitudes, um, from landlords, you know. We
3 call them for help, you know. Some of them, and they
4 just, they just act critical of us instead.

5 You know, they were, there's been talk about, um,
6 mentioning the people who are physically abused by
7 landlords. And something else. I don't know if
8 anyone in here is aware of this, but I read the
9 papers--

10 [BELL RINGS]

11 CHAIRPERSON MENIN: Okay. Thank-- Thank you very
12 much for your testimony. Thank you. We are going to
13 call the next panel. Benjamin Besl, Justin DeGulio.
14 Okay. Benjamin Besl, B-E-S-L? No? And Justin
15 DeGulio. You just-- Okay. Thank you.

16 MR. DEGULIO: Can you hear me? All right. All
17 right. Just taking some notes. You start the timer.
18 I wasn't planning to speak today. My name is Justin
19 Degiulio. He/him. I'm a former owner of an
20 independent brokerage. I started a brokerage in
21 2015. I've hired and trained over 1000 agents.
22 We've closed thousands and thousands of rental deals.
23 We have a 95%-plus five-star review rating. We have
24 a very good review on Yelp and Google. I've heard a
25 lot of compelling points today made by brokers with

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 296

2 very little questioning and engagement by the panel
3 here. It was a little curious to me, so I started
4 taking some notes.

5 The city continues to push costs on to landlords,
6 which is only going to continue to increase the cost
7 of rent. To me, it doesn't seem fair whatsoever to
8 be pushing the cost of a broker entirely onto the
9 landlords. Advocates for this bill are saying that
10 renters are forced into paying broker fees, when
11 we've seen the reality demonstrated today, there's
12 quite a few units that are no fee. To me, it's--
13 it's like saying you're forced to pay \$60,000 for an
14 Audi. It does not make any sense. Renters have
15 options. And yes, the no-fee options are higher.
16 And that's what we're afraid of, is that as we push
17 that cost to landlords, the rent is going to
18 increase.

19 I've heard a lot about bait-and-switch. Tenants
20 coming to look at apartments thinking they were no
21 fee, and then finding out that they are fee. I've
22 never heard of that before, and I've worked with
23 thousands and thousands of agents. I think it's
24 pretty clear online. That could be something that we
25 could have a discussion about in a separate bill,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 297

2 whether the apartments are labeled as fee or no fee.

3 I noticed on Zillow and StreetEasy there's a no fee
4 tag, but it does not tell you "fee", when there is a
5 fee. So I can understand maybe some confusion there.

6 I've worked with a lot of internationals,
7 refugees, people with bad credit. The 2019 law was
8 very detrimental to them. Either they were priced
9 out-- or they were not priced out, but they don't
10 have an option, they're not going to be considered,
11 or they have to pay an extra cost to insure under
12 guarantors or third party.

13 I understand this would be a big Councilman-- I'm
14 sorry, "Big Councilman". I'm reading my notes.
15 Understand, be a big win for you. It's a-- It's a
16 new bill. You're championing it. But I don't think
17 that it's a good fit for the city. I think it's an
18 agenda-driven bill, and I think there's a lot of
19 legislation we could rewrite that would solve this
20 problem a lot better.

21 CHAIRPERSON MENIN: Thank you. And sir, were you
22 called on the panel? Your name-- Oh you were?
23 Okay. Terrific. Wonderful. Thank you.

24 MR. ELLIS: Hi. My name is Benjamin Ellis, a 20-
25 year veteran of the real estate industry. I've

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 298

2 watched multiple ups and downs in the market, and the
3 fees that have tracked those ups and downs. They are
4 tied to market economics. They are fully negotiable.
5 I can't tell you how many times I've seen or
6 negotiated my own fee, or seen my agents negotiate
7 their fees.

8 I'm here to kind of offer up some solution,
9 rather than to just repeat kind of what we've been
10 hearing over and over again. I think we have two
11 systemic issues: One is we have a problem with
12 affordability. That's the kind of pattern that I'm
13 hearing a lot of this testimony. That affordability
14 is not is a is a market-driven affordability, as
15 admitted by the person sponsoring the bill, Mr. Ossé.
16 That affordability complex will not be solved by
17 targeting a third party, the third party being the
18 brokerage industry, which is there to, as a state-
19 regulated entity, create transparency.

20 The-- The market will shift with the fee. The
21 problem is because of the affordability issue (and it
22 is a very basic supply and demand problem) the city
23 makes it very, very difficult to build housing. That
24 is also mirrored simply in the fair housing voucher
25 forms, which should be a boon, because they were just

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 299

2 raised to accommodate rents, more affordable for the
3 people receiving those Fair Housing vouching forms.
4 However, there's no standardization of process, and
5 therefore the brokerage community is left to be the
6 ones holding the bag, trying to navigate a myriad of
7 different issues within these vouchers to create
8 value for those tenants.

9 If we could create a standardization for that, it
10 would help with affordability, because more people
11 would actually be able to utilize the vouchers which
12 they should be able to use.

13 The second part of this is affordability based on
14 supply and demand. The city simply hasn't done
15 enough to create more housing units. That is the
16 only thing that will bring down rent. The 2019 law
17 essentially caused a warehousing of units, driving
18 prices up for renters. This law will have a
19 similarly unintended effect, as well-intentioned as
20 it may be. And I think, for the purposes of how the
21 city moves forward, is a dereliction of their duty
22 not to create incentives for developers to build more
23 housing to address the affordability issue.

24 Thank you for your time.
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 300

2 CHAIRPERSON MENIN: Thank you. Okay, one second.

3 We have-- Zoom. Okay. Thank you very much to this

4 panel. We're now going to Zoom panel. The first

5 panel is Ajifanta Morena, then Alexander Seekely, and

6 Christopher Leon Johnson are all in the first panel.

7 So...

8 SERGEANT AT ARMS: You may begin.

9 MS. SEEKELY: Hi. Hello, my name is Allie. I

10 live in Queens. I'm just an ordinary person who

11 needs a place to live. When I was a child. I always

12 dreamed of living in the big city, and eight years

13 ago, I moved to New York City. I lived with

14 roommates for seven years, but finally moved into my

15 own place last year. I was shocked to learn that I

16 had to pay a \$3,000 broker's fee when all the broker

17 had done was let me in to see the apartment.

18 For most of the years that I've lived here, I

19 only made \$30,000 per year, about \$18,000 after

20 taxes. \$3,000 was a huge sum of money for me when I

21 felt like I did all the work myself.

22 My story is far from unique. I only found out

23 today that you can negotiate brokers fees.

24 Naturally, the brokers did not tell me that. I just

25 wished I'd had a choice about hiring the broker, and

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 301

2 that's exactly what the FARE Act does. It gives
3 tenants like me who can't afford a broker a choice
4 about whether to hire one. All we want is a choice.

5 The icing on the cake was when my broker couldn't
6 even meet me to give me the keys. She left them at a
7 restaurant for me to pick up.

8 Thank you for your time.

9 CHAIRPERSON MENIN: Thank you very much. Just
10 one second, please.

11 Okay. Is Christopher Leon Johnson on? Okay.

12 MR. JOHNSON: Yeah, I'm on. I'm on.

13 CHAIRPERSON MENIN: You're up.

14 MR. JOHNSON: Hey. Can you hear me? Hello.
15 What's up, everybody. It's Christopher Leon Johnson
16 here. So I'm here speaking on-- as opposition to
17 this bill. I'm-- I'm against the bill Intro 360, and
18 I'm going to explain why. Because the reason what's
19 going on is Chi Ossé, as a Councilmember, I believe
20 he's only doing this to appease certain special
21 interests, such as Opening New York For All, and
22 Trans or Open Plans and all these other so-called
23 tenant advocacy nonprofits, that doesn't really
24 advocate for the tenants the right way.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 302

2 Like we got to keep real with this right? I
3 sell-- I used to sell insurance 10 years ago. And,
4 you know, like I said, as an agent, and you know, the
5 brokers have to make their money. The agents got to
6 make their money too.

7 If you get-- If you put this bill-- let this bill
8 go through, guys, the agents won't make a lot of
9 money. The brokers won't make a lot of money,
10 because, yeah, even if the landlords are forced to
11 hire a broker themselves, and they got to pay the
12 broker fees, it's going to be passed on to the
13 tenants. And you might not think that they might not
14 pay it at one spot right at the-- at the moment, but
15 they'll pay it time in and time out, and it'll build
16 up. And there's no guarantee that a tenant will make
17 those payments, because we don't know how it goes.
18 You can get a lease, and you can break a lease
19 because of non-payments, and you litigate it.

20 So, like I said, this bill is a bad bill. We got
21 a housing crisis in New York City, the way you solve
22 the housing crisis is building more housing, right
23 housing. Not housing that's going to benefit Open
24 New York For All, where people pay \$5,000 a month in
25 rent.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 303

2 You know these people that that so-called
3 advocate for tenants, like Crown Heights Tenant
4 Union, and all these other non-profits, they want to
5 complain about paying \$10,000 for broker's fee, but
6 won't they get at [inaudible] for all for advocating
7 to make people pay \$5,000 a month in rent.

8 But zingers you've got to-- you can't-- this bill
9 cannot go through. I'm against the bill. You know,
10 we got support REBNY guys with this bill, um, being
11 killed. It's an ineffective bill. We have to solve
12 the housing crisis in other ways.

13 [BELL RINGS]

14 You've got to pass-- introduce bills to really
15 solve the house crisis, not introducing bills--

16 CHAIRPERSON MENIN: Okay. Thank you very-- Thank
17 you very much. Thank you. Thank you.

18 Okay. I believe Ajifanta Marenah has come back
19 on.

20 MS. MARENAH: That's me. That's me.

21 SERGEANT AT ARMS: You may begin.

22 MS. MARENAH: Hello. Good evening, everybody. My
23 name is Ajifanta Marenah. I'm the Advocacy Program
24 Manager at Muslim Community Network. I'm here today
25 to express my support and the organization's support

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 304

2 for the FARE Act. We believe that this allows for
3 housing justice in New York, it allows for fair
4 housing access and it allows for equity in housing--
5 in the housing system in New York.

6 The Muslim community network has a Muslim woman
7 empowerment program, which caters to Muslim women all
8 around New York who make on average, \$20,000 to
9 \$30,000. When we surveyed them, we found that on--
10 one of the top issues impacting the woman is housing.
11 Some of these women experience domestic violence, and
12 the only way to leave if is if they're able to get
13 housing. But with brokers fees, it makes it
14 impossible for these women to get housing in New
15 York. If someone is making on average, \$20,000 to
16 \$30,000, but required to pay at least \$10,000 to be
17 able to get housing, it is not feasible, and it is
18 not possible.

19 We need to make housing affordable in New York.
20 We need to make it accessible, and we need to make
21 sure the process is fair and equitable. And so for
22 that reason, we thank Councilmember Chi Ossé for
23 introducing this bill, and we strongly support the
24 FARE Act. Thank you.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 305

2 CHAIRPERSON MENIN: Thank you. And now there's
3 another panel on Zoom, so I will read the names.
4 Jared Gold, Miranda Coplin, Summer Omar, Neil Cajo,
5 and Lucy Sexton. So I'm going to start with, in
6 order, Jared Gold, if you are on, if you could please
7 begin. Jared Gold.

8 SERGEANT AT ARMS: You may begin.

9 MR. GOLD. I thank you. Sorry. I wasn't
10 unmuted. Good afternoon, Chairman and members of The
11 Committee. So much of this hearing before the
12 intermission felt like artisanal double speak.
13 Anyone who has ever interacted with an owner-side
14 broker knows that they-- most or many, do not provide
15 any of those high-minded helpful services that the
16 advocates claimed they provide.

17 I've lived in Queens for a little while, I've
18 only paid two broker fees in my life. But while
19 moving I've interacted with dozens of brokers, and in
20 all but one single case, the broker has offered
21 nearly nothing to me. They opened the door. Several
22 times the broker told me that I could have the
23 apartment if I paid more in the broker's fee (not
24 more in the rent, just more in the broker's fee),
25 just money straight to their pocket.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 306

2 Once, a broker told me that he had another offer
3 from another candidate, but he liked me, so the no-
4 fee unit became a half-fee unit. I don't know how to
5 describe any of that, but straight extortion.

6 I appreciate the hardship that the brokers would
7 experience if this bill passed, but as the committee
8 well knows, the status quo is not worth preserving
9 simply because it is the status quo. And anyone who
10 looks at the real estate status quo would observe
11 that brokers who contribute so little to tenants, but
12 extort thousands of dollars from them, will
13 eventually be outmoded, maybe by legislation, likely
14 by technology, and these inefficiencies and arbitrage
15 maximizing middlemen don't exist in the long run,
16 they just don't.

17 It's not the job of this council to bail out
18 brokers who made career decisions based on the
19 assumption that their racket would continue forever.
20 It's time to move on to a more modern system of
21 housing distribution. I'd urge the committee to
22 adopt the FARE Act. Thank you.

23 CHAIRPERSON MENIN: Thank you. Next is Miranda
24 Kaplan. Miranda Coplin, if you're on.

25 SERGEANT AT ARMS: You may begin.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 307

2 MS. COPLIN: Can you hear me? I am here as a New
3 York City resident to support the FARE Act. I have
4 lived here for about six years, and my partner was
5 born and raised here, and I have watched my partner's
6 family be systemically priced out of their own
7 neighborhood in Brooklyn due to not being able to pay
8 ridiculous fees that are often dropped on them at the
9 last second. And my partner and I have been unable
10 to move out of their family home because we can't
11 find places that are within our price range that come
12 without fees.

13 And it's just a very hard struggle, and this is
14 one step towards making finding an apartment in New
15 York a little bit more equitable. So I support it.
16 That's all for me.

17 CHAIRPERSON MENIN: Thank you. Next is Summer
18 Omar.

19 SERGEANT AT ARMS: You may begin.

20 MS. OMAR: My name is Summer Omar. I'm a public
21 interest attorney, and I wanted to strongly support
22 the FARE Act.

23 As other people have already said, we're living
24 through the most profound housing affordability
25 crisis of this generation. Each day, you can see a

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 308

2 new headline that sounds the alarm about the depth
3 and severity of this crisis. More than half of
4 renters are rent burdened. A majority can't pay rent
5 and make ends meet to put food on the table, and
6 otherwise live their lives with some measure of
7 dignity.

8 New Yorkers can barely shoulder the cost of
9 living day-to-day, let alone paying for the services
10 of someone they did not hire. Each new fact and
11 figure about how punishing the city is becoming
12 should inspire bold, courageous action.

13 Through the FARE Act, Councilmember Ossé is
14 answering that call to action, and you can see
15 through all this testimony, clearly New Yorkers are
16 glad that somebody has the audacity to stick their
17 neck out for us, not for lobbyists, not for special
18 interests, but for the people that the City Council
19 has the privilege and obligation to actually
20 represent.

21 I'm hopeful that this bill will pass, and I'm
22 also optimistic that for every other council member
23 that's watching this unfold, you're inspired to
24 similarly steel your backbone, appreciate the gravity
25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 309

2 of the moment we're living in, and fight for us.

3 Thank you.

4 CHAIRPERSON MENIN: Thank you. Next speaker,

5 Neil Cudjoe.

6 SERGEANT AT ARMS: You may begin.

7 MR. CUDJOE: I'm unmuted? Yeah, good afternoon.

8 Neil Cudjoe, real estate broker, and I'm-- I'm for to
9 stop the Intro 360. I'm-- I was there, and I'm
10 hearing a lot of this testimony. People don't have
11 to go through a broker, you know? You could look for
12 an apartment yourself.

13 You know when-- when I first came into New York,
14 I've been in New York 20 years, and when I first came
15 to New York, I found my own apartment by knocking on--
16 - door to door and finding the owner to-- to give me
17 the listing to help a family member of mine get an
18 apartment. And I did that for myself to find my own
19 apartment, you know? I hear a lot of people say, "I
20 found an apartment myself." No. These brokers did
21 the-- went from door to door, made the phone calls,
22 called 100 numbers to get the listing, to go to the
23 apartments and the houses and take pictures and put
24 them-- and to pay to advertise these-- these units.
25 The-- the brokers are the ones that did the work.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 310

2 You know, I'm hearing that a lot. Like, "I found it.
3 I found it myself. I went online. Saw it myself."
4 But the broker is the one that did the footwork to
5 put the ad online and me, what I feel-- I feel that
6 the reason why-- why the rents are so high is mainly
7 because of the that 2019 Bill, you know, because it's
8 true. You have a lot of landlords warehousing
9 apartments, and you have few vacancies and, and
10 brokers are charging-- charging fees, you know? Like
11 they only have a few apartments where they could
12 charge fees on.

13 [BELL RINGS]

14 CHAIRPERSON MENIN: Okay. Thank you very much
15 for your testimony today. And we have one more
16 panelist on Zoom, and then I'm going to read through
17 every single person who signed up, who we didn't hear
18 from, to make sure we did not miss anyone. Lucy
19 Sexton.

20 SERGEANT AT ARMS: You may begin.

21 MS. SEXTON: Okay, thanks so much. I'm Lucy
22 Sexton. She/her. I'm with New Yorkers for Culture
23 and Arts, a coalition of 400 individual artists,
24 small organizations, and large institutions. I'm
25 here to speak on behalf of artists.

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 311

2 The housing crisis for artists is critical, and
3 artists are the industry workers of this town. The
4 creative economy is 13% of our economy. These are
5 your workers, and increasingly they cannot afford to
6 live here. Dance NYC recently did a survey that said
7 that the typical dancer works four to five jobs and
8 has a household income, with the other people they
9 lived with, totaling \$50,000. They also have to move
10 more often because there's so few apartments that are
11 rent stabilized. That means they are facing these
12 huge, one-time fees. It requires access to capital.
13 And you heard other people testify today. They had
14 access to capital because they had families that had
15 money.

16 This is the inequitable system where a working
17 kid who is here trying to make their living as a
18 dancer, who comes from New York, who comes from a
19 working class family, does not have that access to
20 capital, and can't afford that barrier of getting
21 that-- those broker fees. And this is a real
22 barrier. And this is a critical problem. In the
23 last five years, we have lost 25% of our teaching
24 artists have moved out of New York City.

25

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 312

2 New York City without artists is going to be New
3 York City without a creative economy. That is going
4 to take \$110 billion. That is what the creative
5 economy generates.

6 So, this is a workforce worth investing in, worth
7 protecting any way that you can. And of course, it's
8 a larger problem. This is only one piece of it, but
9 it's an important piece of it, and it's a real
10 barrier. So, removing that barrier will make it more
11 possible for artists to continue to live and work and
12 thrive here in New York City. Thank you for
13 introducing this bill. We are definitely in favor of
14 the FARE Act.

15 CHAIRPERSON MENIN: Thank you very much. Okay,
16 I'm now going to read through the list of everyone
17 who signed up but has not yet testified to make sure
18 we didn't miss anyone.

19 If you are here and you do not hear your name
20 called and you wish to testify, please go see one of
21 the Sergeants, who is raising his hand right there,
22 and let him know. Or if you're on Zoom, just raise
23 your hand.

24 Okay, bear with me. Shanna Walla, Doug Albert,
25 Shannon Lucitra, Ruth Patterson, Jean McCoon,

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 313
2 Gianpaolo Pernicone, Maxwell Fleishman, Shakim Hinz,
3 Kiala Fai, Shreya Wadawa, Michaela Everett, Thomas
4 Jaluka, Kadisha Pickney, Sheena Sam, Urdiana Cebulos,
5 Rah Landram, Katie Wolf, Rodell Rodriguez, Zachary
6 Thorpe, AJ Parker, Albin Henneberger, Alyssa White,
7 Charles McCraron, Mikaela Rore, Miranda Hernandez,
8 Sperki Brethwaite, Quinn Parker, Kayla Sinclair,
9 Ashley Rivera-Cobo, Benjamin Tamerin, Valerie
10 Gordizenda, Emoni Kolpama, Michelle Villa-Gomez
11 Mieto, Christine Sanders, Mildred Tompkins, Cassandra
12 Smith, Quinn Van Ravat, Kiana Connelly, Antoine
13 Besan, Regine De Cosard, Michael Kala, Yin Yang,
14 Nicholas Lamis, Deasha Almodovar, Tashina Brignell,
15 Rashida Landrum, Rima Desai, Matthew Weisberg,
16 Whitney Hu, Ayzad Tenweir, Winsome Pendergrass,
17 Cynthia Novis, Marshall Madsen, Edward Siegel,
18 Miranda Copeland, Emily Hanson, Stephanie Potager,
19 Robert Romanian.

20 Okay.

21 You didn't hear--? Okay. So do you want to just
22 fill out-- If you could go to the sergeant and fill a
23 card out, please, then you can testify.

24 Yeah, if you could just-- If there's-- Again, if
25 there's anyone here and you didn't hear your name

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 314

2 read, and you wish to testify, just please fill a
3 card out, and then We will call you.

4 Thank you. Okay. Amber Guidati.

5 Let's go ahead.

6 MS. GUIDATI: Thank you. Sorry. I'm a New York
7 City resident. I currently live in Queens. Chi Ossé
8 is not my representative, but he is today, so thank
9 you.

10 And I just wanted to say that I had a written
11 testimony that I scrapped because I've been here
12 since 8:00 a.m. and listened to everybody. And I
13 feel-- Yeah, I feel quite delusioned by the
14 experiences that folks in the opposition have stated.
15 I feel as though there's not great representation for
16 the actuality of what younger folks are experiencing
17 when they're moving between apartments or in the city
18 for the first time.

19 I can say myself that my partner and I have been
20 here for eight years, and we have paid nearly \$12,000
21 in broker fees alone. Not moving costs, not first,
22 last. Security broker fees alone. And it has been
23 devastating. We've been here the entirety of COVID.
24 We've dealt with landlords. We've done the whole
25 back-and-forth. And the reality is, every single

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 315

2 time that we've had to deal with a broker, we can
3 barely get them to respond to any messages. We
4 barely get them to show up.

5 It has been a nightmare, and I feel like we have
6 not been straight up about this, especially for you
7 know younger millennials that are here. I don't know
8 what millennial has \$10,000 to \$20,000 in a savings
9 account. It's just non-existent, especially given
10 inflation, where in some neighborhoods, milk is \$10,
11 \$11, \$12 a gallon. It's just not the reality.

12 So, I wanted to speak for those that didn't get
13 to speak today that are probably in that situation.
14 There was also a comment made earlier about how
15 brokers and people in the real estate industry were
16 here on their own time. I am not at work today. The
17 500 700 people that came out this morning and were
18 outside also were not at work today and missed out on
19 pay in the same exact way that the brokers did. So,
20 I think that that's an important thing to note, and I
21 thank you for your time. Thank you.

22 Okay. Thank you very much. And our last speaker
23 before we close the hearing is Sharon Brown. You

24 MS. BROWN: Hello. My name-- Am I ready? My
25 name is Sharon Brown. I worked in the real estate

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 316

2 industry out of New York City for Florida Properties.

3 I'm noting also was one of the earlier speakers, it
4 was done on Shavuot, which a lot of the Jewish people
5 weren't able to come out because it's a holy day. So
6 let's take that into account when we're doing stuff
7 with this bill.

8 I also want to say, defend Israel, release the
9 hostages, let Yaweh's people go. Defend Israel.

10 Okay, so the landlords, they need to make sure
11 that the fees are up front from the brokers between
12 the two of them, but the landlords don't seem to have
13 a big problem between what the brokers are doing. So
14 the brokers need to make it clear what charges they
15 have for people that are going to be using their
16 services. They can't have hidden fees. If they're
17 going to have fees, they have to let everyone know
18 what is going on. It can't be hidden costs for the
19 tenants, they should know if it's going to be a
20 sliding fee, if it's going to be a flat fee. If they
21 want to find houses, people that are landlords should
22 not turn them away because of the fact that they want
23 to force them to go to a broker, and then some of the
24 landlords are getting a kickback when people have to
25 use a brokerage firm to come to them. Some of the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 317

2 landlords are friendly with the brokerage firm, so we
3 have to make sure-- and we don't want it to be
4 abusive on all three sides.

5 So they need to come to the table and do some
6 kind of bargaining where it will help all of them.
7 I've been on all sides of the argument. I worked in
8 the real estate industry. I've been a landlord and I
9 have been a tenant, and it need-- they need to have
10 bargaining where they come together. No hidden fees.
11 No hidden costs. That's what should happen there.

12 [BELL RINGS]

13 Thank you.

14 Defend Israel. Release the hostages--

15 CHAIRPERSON MENIN: Okay. No no. We cannot--
16 Okay. Everyone has their two minutes so, yeah--

17 MS. BROWN: [inaudible]

18 CHAIRPERSON MENIN: No, no, no, no, no, no, no.
19 We're not going to do this.

20 Okay. First of all, I really want to thank
21 everyone for their patience. We had unbelievable
22 testimony today. I think no matter where one stands
23 on the bill, I thought it was just so great to see
24 the kind of civic engagement that we saw, where
25 people stayed with us, literally, to 4:30. So I just

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 318

2 want to thank you for doing that. We take all of
3 this testimony incredibly seriously.

4 People also have the right to submit testimony
5 within 72 hours of this hearing. So, I just want to
6 make sure people know that. We're going to take all
7 of this under advisement and continue conversations.
8 Before I turn it over to my colleague for any closing
9 statement he wants to make, I do want to say, for
10 those of you that were in the beginning of the
11 hearing, imposed a 5:00 p.m. deadline on the
12 administration to give us their data. They have
13 indicated that we are going to get something before
14 5pm so we will-- at a later time. We are going to
15 close the hearing. We're not going to keep it open
16 for that. But we will share that data as soon as we
17 get it. So once again, I want to thank everyone for
18 coming out today. And I now want to turn it over to
19 my colleague, Councilmember Ossé, for any closing
20 statement.

21 COUNCILMEMBER OSSÉ: Thank you so much. Can you
22 guys hear me? Thank you so much, Chair Menin, and to
23 everyone that came out to testify today, whether in
24 support or against. I know a lot of us are working
25 people and have jobs. So, for people to take the

1 COMMITTEE ON CONSUMER AND WORKER PROTECTION 319

2 time out of their days from 8 a.m. to wait until now
3 to testify is wonderful, and really appreciative.

4 You know, this bill is necessary, and I think we
5 heard that from a sizable amount of people today.

6 You know, through the support of labor unions,
7 immigration organizations and regular tenants in New
8 York City, this seems to be a top priority for the
9 council's legislative agenda, and I really hope that
10 we get it past the finish line.

11 This is not an anti-broker bill. I think I've
12 said that multiple times throughout this hearing,
13 even in the hiring of a broker myself. But I just
14 don't believe that anyone should be forced for some
15 force to pay something for something that they didn't
16 hire or order, and that's what this bill is trying to
17 do. Thank you.

18 CHAIRPERSON MENIN: Thank you so much everyone.

19 This hearing is now closed.

20 [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 25, 2024